Friday May 2 1986

D 8523 B

officers return

World news

UK prison Record to work **Pacific**

normal duties after a night of rioting and arson by inmates in the country's already overcrowded prisons and custody centres destroyed accomodation equivalent to two

large jails.

The officers' union suspended its overtime ban after it had been in effect less than 24 hours. The officers are in dispute with Britain's Home Office over plans to change their staffing arrangements in a way that would reduce overtime working and

pay for many of them.
Mr. Douglas Hurd, Home Secrefary, sought to pave the way for the resumption of negotiations with the Prison Officers' Association with a conciliatory statement inviting the union executive to talks "with a view to the simultaneous calling off of industrial action and the institution of discussions about the agenda for the future." Page 22

Thai elections

Thailand's King Bhumibol Adulya-der dissolved parliament and called for fresh elections on July 27 after the coalition government of Prime Minister Prem Tinsulanonda lost a key vote on economic policy. Earli-er report, Page 3

Karmai returns

Afghanistan President Babrak Karmal returned to Kabul, ending ru-mours that he was ill or out of iayour. Officials said he had had medical treatment in Moscow.

Bangladesh ban

Bangladesh Government moved to stiffe protests against planned parlignentary elections next week, banning anti-poll activity and detaining Begum Khaleda Zia, a key opposition leader, and 12 other poli-

May Day maynem

Polish tension

Riot police were out in force in sensitive areas of Warsaw, Gdansk and Krakow to prevent demonstrations of support for the banned trade union Solidarity as Communist Parleader Wojciech Jaruzelski led the country's official May Day cele-

Austrians to vote

Austrians vote for a new President on Sunday after a bitterly fought campaign overshadowed by allegatimes regarding conservative candi-date. Kurt Waldheim's wartime past Election issues, Page 2

Egyptian arrests

Egypt's state prosecutors placed Omar Abdel-Rahman, a blind theologian, and 55 Moslem fundamen-talists under indefinite arrest on tharges of inciting anti-government unrest after clashes with police.

Airliner attacked Armed robbers attacked an airliner. taxing for takeoff at Lagos airport on Tuesday, the third such incident

Salvador crash

A Salvadorean air force DC-6 transport aircraft crashed shortly after takeoff, killing all 37 passengers

and crew aboard. Duchess's will

The Duchess of Windsor, who died last week in Paris, left most of her include in the Pasteur Institute, a medical research centre based

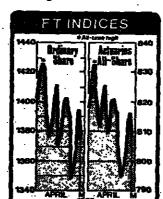
there, her lawyer said. Border crossing Pakistani and Chinese officials

opened the highest border crossing in the world, the 15,072 ft Khunjer-

Business summary issue at Cathay

(\$181m) public offering of 15 per cent of the shares in the Hong Kong airline was oversubscribed by more than 32 times. Page 27

PEOPLE EXPRESS, the fast expanding cut-price US airline, be-came the latest in a string of US airlines to report higher first-quarter losses. Page 23



LONDON: Equities and gilts were soured by the overnight plunge on Wall Street and the FT Ordinary in-dex dropped 20.9 to 1,374.0. The FT-SE 100 fell 20.4 to 1,640.1. Page 44

WALL STREET: By 3pm, the Dow Jones industrial average was down 1.99 at 1.781.99. Page 44

TOKYO: Blue chips and utilities bore the brunt of selling as the Nikkei average lost 42.85 to 15,782.65.

DOLIAR firmed in London to close at DM 22630 (DM 21640), Y169.60 (Y167.55), SFr 1.8435 (SFr 1.8110) and FFr 7.0175 (FFr 6.8925). On Bank of England figures, the dol-lar's index rose from 113.3 to 114.5. Page 37 Page 31

STERLING closed in London at \$1.5285, down from \$1.5510 on Wed-nesday. It was higher at DM 3.37 (DM 3.3575), SFr 2.82 (SFr 2.81), and A row over May Day led to first FFr 10.7350 (FFr 10.69), but eased fights and uniour in Turkey's Paragainst to Y259.5 (Y259.75). Page 37 liament, resulting in the session's COLD foll 5% an owner to \$345% on

GOLD fell 5% an ounce to \$345% on the London bullion market. In New York, the Comex June settlement was \$342.80. Page 36

NICKEL prices on the London Metal Exchange were boosted by strong producer buying. The three-month metal touched a high of £2,710 a toune before falling back to close at £2,707.5, up £45 on the day.

CANADIAN banks cut their prime lending rates by % percentage point to 10% per.cent.

AUSTRALIA awarded two belicon ter contracts worth A\$500m (\$370m) to Sikorsky of the US. Page 7

UK TAKEOVER Panel ruled that Robert Maxwell, British publisher, acted in concert with Demerger Corporation in its recent unsuccessful £170m (\$260m) takeover bid for Extel, business and sporting information group.

EXPO 36 world fair opens in Vancouver, Canada, today amid hopes that it will be one of the most successful events of its kind in recen

FYFFES GROUP, UK irnit distributor and a wholly owned subsidiary of United Brands of the US, is being bought by FII, Irish importer and distributor of fresh fruit and veg-etables, in a deal worth £25.hm (\$41m). Page 29

VOLVO, the Swedish automotive energy and food group, has con-firmed its position as one of the world's most profitable car producers. Page 23

GREYHOUND, US transport, con-sumer products and financial services group which is restructuring its established bus business, sui fered a fall in first-quarter net earnings from \$19.1m to \$10.3m. Page 23

The Financial Times will not be

Weather 22

Soviets shut down all Chernobyl-type privatisation nuclear reactors BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION has shut down all its nuclear reactors of the type that exploded last Saturday, leading to fears of a power shortage in the Ukraine, diplomats in Moscow said yesterday.

Earlier, the Soviet Government had issued a statement saying that 18 out of 148 people in hospital as a result of the disaster at Chernobyl were in a serious condition. Two people were killed in the accident. The Soviet Union has declined an offer of US help and was still not providing the information on the accident that Washington had repeatedly requested, Mr George Shultz, the US Secretary of State, said last

However, senior British, French, Austrian, Dutch and Finnish diplomats were yesterday briefed by se-nior Soviet officials, among them Mr Andronik Petrosyants, head of the state nuclear energy committee. Radiation levels fell in Sweden, Poland and West Germany, but in-creased slightly in Yugoslavia and Romania as winds bore the fallout south. Soviet announcements that the radiation source at Chernobyl was extinguished were followed yesterday by disclaimers by US ex-perts of their earlier estimate of damage to a second Chernobyl reac-

Radioactivity at Chernobyl and the nearby village where its workforce used to live has dropped by a

have a serious effect on electric now confident that it has the situa power supplies. They supply about half of the 12 per cent of Soviet electricity that comes from nuclear power, but the percentage is much higher in the industrialised and European parts of the country.

Power stations in the Ukraine, where there are eight nuclear pow-er stations already built or under construction, also supply electricity to parts of Eastern Europe. Shortages may be less serious, however, because the beginning of summer means that less electricity is used for heating over the next seven

The Soviet Government statement yesterday said that no for-eigners had been injured as a result of the Chernobyl accident. However, a party of British students evacuated from Kiev overnight had to change into track suits at Moscow airport before boarding a Brit-ish Airways flight to London after a Gorbachev or the rest of the Soviet British Radiologist detected higherthan-normal levels of radioactivity

in their clothes.

Over the past 36 hours, the Soviet

factor of 1.5-2, the Soviet announce- Government has begun to make ment said. It did not say what was moves to reassure foreign embas-the previous level of radioactivity sies that the fire at the core of the but added: "Work is under way to reactor is out and their nationals deactivate the contaminated areas are safe. The willingness of the So-adjacent to the power station." The closure of all of the 20 an consul to fly to Kiev yesterday RBMK-1000-type reactors through-out the Soviet Union is likely to diplomats that the Soviet Union is

tion in the Ukraine under control. In Moscow, Mr Mikhail Gorbachev, the Soviet leader, together with the rest of the Soviet Polithuro, reviewed the traditional May Day parades during which tens of thousands of people marched through Red Square waving baloons, flowers and banners. Similar parades took place in all the Soviet Union's other big cities, including

The start of the May Day festivities at the beginning of a four-day public holiday dominated all news coverage in the Soviet press, radio and television, although they also carried the official announcements about the situation at Chernobyl. Last night's main nine o'clock

news simply repeated the Council of Ministers' statement after an hour of other news.

Continued on Page 22 Soviet nuclear disaster, Page 2; Editorial comment, Page 20

S. Africa disrupted by May Day strike action

BY JUM JONES IN JOHANNESBURG AND ANTHONY ROBINSON IN DURBAN

work and stayed away from schools yesterday in the largest antiapartheid protest in Shouth Africa's nistory.

Large parts of the country ground to a halt as workers responded to position to apartheid, and to back a demand that May Day become a paid holiday. Business associations reported a 70 to 100 per cent stayaway in towns and cities around the

In a message read to a rally in Durban Mrs Winnie Mandela, wife of the detained leader of the African National Congress (ANC), said:
This is a day of tribute to the sweat
and toil of the workers around the world, and here in South Africa, where so many have given their es to fight tyranny.

City centres emptied and many mines and industrial plants closed in what is seen as a practice run for divisions within the movement apa planned three-day protest around peared to widen.

anniversary of the uprising in Johannesburg's Soweto township, in which hundreds of blacks died.

The stoppage in Johannesburg was helped by an almost total halt to commuter buses and disruption union calls to demonstrate their op- of rail services. Before dawn, police in armoured vehicles used loud hailers to awaken residents with assurances that they would be protected if they wanted to go the work. Most residents stayed behind closed doors all day.

In central Johann jority of shops and stores remained closed and an eeric quiet descended on streets on which black faces normally far outnumber white. The stay-away was a stark illus-

tration of the measure of support the country's emergent trade unions command. But as the black working class flexed its muscles in rallies throughout the country, the

chief minister of KwaZulu, chose May Day to launch a new trade union strongly opposed to economic sanctions and disinvestment and pledged to use the strike weapon only "with caution and wisdom."

The United Workers Union of South Africa (Uwusa) was inaugu rated before a capacity crowd of over 50,000 in the same Kings Park stadium which saw the birth last December of the Congress of South African Trade Unions (Cosatu).

This federation of unions claims

over 450,000 paid-up members and is closely linked to the United Democratic Front (UDF), the country's largest anti-apartheid coalition, and the ANC. It advocates disinvestment and supports sanctions Uwusa, headed by Mr Simon Conco, a former businessman and chief whip of the national assembly

of KwaZulu, has been organised by Continued on Page 22

Prudential to raise £357m

BY ERIC SHORT IN LONDON

PRUDENTIAL, Britain's largest life so that it could continue its strateassurance company, yesterday an-nounced plans to seek a record £357m (\$546m) from its shareholders through a rights issue of one new share at 600p for every five beld - involving the issue of 60,257,503 new shares.

The stock market, taken unawares by the announcement, was even more surprised when the com-pany disclosed that the issue would not be underwritten. A rights issue that is not underwritten is comparatively rare, and the Prudential's issue is by far the largest of its kind seen in the UK to date.

The additional capital being raised has not been earmarked for any specific purpose or any imme-diate acquisition despite market rumours of potential victims.

Lord Hunt of Tamworth, Prudential's chairman, said it was in the published on Monday because of a best interests of the company to raise additional equity capital now

sion into non-insurance activities gic development and be ready to take advantage quickly of suitable oportunities when they arose. The group has made no secret

over the past year or so of its ambition to expand beyond its tradi-tional role in the life assurance, general insurance and individual and company pensions fields.

The issue prospectus discusses two developments in recent months in this direction - the launch of a unit-trust company, Prudential Unit Trust Managers, and the company's entry into the property agency business through acquisition. It is now operating in that field as Prudential Property Services, and has moved into direct provision of mortgage fi-

Mr Mick Newmarch, a director of the company and chief executive of its investment arm, Prudential Portfolio Managers, emphasised the decision to finance this expanby using shareholders' funds rather than employing any of the £17bn plus of life funds. All the rewards would therefore go to shareholders.

He said at least £100m of the new capital would be used to expand the property agency operation, with the aim of establishing a 600-branch national network by the end of the Mr Newmarch was emphatic that

the overall insurance operations of the group, either life or non-life. However, the Prudential is keen to expand its overseas operations Last year, it acquired the life operation of the troubled Irish insurance

group, The Insurance Corporation of Ireland, now named Prudential Life of Ireland. Mr Newmarch also explained that the company was aiming to ex-

pand its unit trust services further

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South Korea: shipbuilders Foreign affairs: Reagan's

Technology: the IBM touch Lex: Prudential; De Beers: for UK science 8 Wellcome; Maxwell 22

Bosch Computers: Sperry comes strengthens defences 13 out fighting 25

Paris doubles sales target

THE FRENCH Government is aiming to raise up to FFr 40 bn (\$5.8bn) next year through sales of its stakes in nationalised companies

That is significantly more than the annual privatigation rate of FFr 20bn to FFr 25bn indicated before the March elections.

The Government plans to adopt a prudent policy over floating state enterprises and officials emphasise that the rhythm of asset sales will be tailored to the state of the stock market.

The buoyancy of the Paris bourse which has risen nearly 50 per cent this year and at the same time has absorbed a record volume of new share issues - appears, however, to have made feasible a heavier programme of share sales than earlier

The Government is currently pushing through legislation enabling its sweeping denationalisa-tion programme to begin in earnest next year, although one significant pilot operation is planned to be made before the end of 1988. The overall programme will be spread over the five year legislative period

In addition, FFr 8bn to FFr 10bn is planned to be raised this year through sales of minority holdings in the big state-owned insurance groups and in the Elf Aquitaine oil concern. The state is able to lower its stake in those companies to 75 to reduce state debt and to finance per cent without any change in legislation.

The Government is also encou raging state-owned companies to continue to enlarge their capital structure and prepare the way for privatisation through issuing nonvoting shares on the bourse.

Saint Gobain, the large pipes, glass and building materials group nationalised in 1982, is expected shortly to announce a landmark issue of about FFr 2bn in non-voting

That offer of certificats d'investissement (CIs) will be the first by a state-owned industrial group not featuring preferential dividend

rights.
The Government is instructing state enterprises only to issue non-preferential CIs in future. Those can be relatively easily converted into ordinary voting shares when privatisation is eventually carried out, whereas the conversion of preferential CIs might present difficult-

Rhône Poulenc, the chemical company, Pechiney, the aluminium group, and the Paribas, Suez, So-ciété Générale and CIC banking and financial groups have all issued tionalisation. Banque Nationale de Paris, the biggest French bank, is currently offering a FFr 3.88bn nonpreferential CI issue on the Paris

and international capital markets. The Government wants to earmark revenues from privatisation

Continued on Page 22

London shares tumble in wake of US slide

BY GEORGE GRAHAM IN LONDON AND OUR NEW YORK STAFF

SHARE PRICES dropped sharply in London yesterday in the wake of the record overnight fall on Wall points. But it recovered steadily as squad of Japan's finest. Street. Uncertainty over the outcome of the world economic summit, starting in Tokyo this weekend and the recent upturn in US interest rates, also helped the dollar to strengthen on the foreign exchange

markets. In New York, trading once again got off to a shaky start yesterday following the precipitous two-day decline. But by lunchtime, the Dow Jones industrial average had edged back into positive territory, showing a 4.5 point advance to 1,788.44, before turning back down during

the early afternoon. At one stage in brisk early trading, the Dow index, which plunged

investors became slightly more confident that the setback earlier in the week did not mark the beginning of a major correction. In contrast, however, US long-

term interest rates moved higher again, as the Treasury long bond dropped by a further full point in early trading, reflecting concern about investor demand at the forthcoming \$27bn quarterly Treasury refunding set for next week. The London stock market was

helped on its way down by a £357m

Continued on Page 22 Money markets, Page 37; Share markets, Page 44

Japanese will defend summit to the last azalea

WELCOME to the Tokyo summit. You probably won't see much of it from your helicopters and motorcades and what you do glimpse will be manicured to the last inch, apart from a few enthusiastic banners saying things like "nice summit good day," or "for beautiful human summit." So let me tell you what it is really like on the ground, for two

The first thing you must under stand is that we have been living in an armed camp for the last month This is perfectly understandable, because the very peculiar breed of Japanese radicals, who go by names you won't remember any-way but who do not seem to have Libyan connections, have threatened to create mayhem. If they do, it would bring shame and humilia-

tion on the Japanese nation. They said they would do the same for the Emperor's birthday last Tuesday and indeed did succeed in stopping a few bullet trains in Osaka, which is only 500 km away from

Jurek Martin in Tokyo offers a warm welcome to visiting statesmen

the sumo auditorium in Tokyo where Hirohito was en fête. Their home-made rockets used to go no farther than you or I could hit a seven iron, and much less accurately, but they have now upped their range, presumably with the help of new ceramic materials, to par five distance, so the authorities are leav ng nothing to chance.

Both your humble correspondents happen to live close enough to the summit wherewithals to have become very familiar with the se-curity precautions. The one who lives in an apartment can't go on to the roof because it is being occupied by sleeping - and hopefully wakeful policemen; the one who lives in a house can't even pick up the morn-

You'll probably notice there doesn't seem to be much traffic on the roads you do see. This, let it be stressed, is not a miracle of modern traffic control in everyday Tokyo. where surface travel is not what you would call rapid transit. The Japanese, who do not do things by halves, have simply closed a great number of central streets. Fortunately, this is the Golden Week holiday period and half the population of the capital is in Hawaii anyway. Those who do drive, however,

have found a new game in the last Continued on Page 22 Feature, Page 21

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Windscale in Cumbria in 1957.

In the RBMK, uranium metal

reactor, producing both plu-tonium for weapons and electric

power, For this reason Moscow refuses to export it, even to

abroad.
The International Atomic

problem is a serious shortfall in installing new plants. In the

five year plan just ended the industry missed its original target by 37 per cent, achieving only 15,800 Mw of new nuclear

BY DAVID FISHLOCK, SCIENCE EDITOR

MELTDOWN TEMPERATURES oxide fuel. A much less severe fire would serve to melt uranium metal, however, to give the kind of accident which occurred at in the stricken Chemobyl reac-tor may have been substantially lower than originally suggested, if unanium metal fuel was being used as well as its normal uranium oxide fuel. In the Windscale fire some 40 Uranium melts at 1.133 degrees tonnes of uranium were C, compared with 2.865 degrees involved in a graphite fire which burned for two days.

Soviet designers have acknow-

ledged that uranium metal fuel is converted to plutonium at can be mixed with oxide fuel in the RBMK type of reactor, although they give as the reason fast production of plutonium to major manufacturing profuel fast reactors. However, gramme for a number of new the most likely reason why the most likely reason why nuclear weapons, the test pro-Chernobyl No 4 reactor should be fuelled partially with uranium metal is for the pro-duction of high-purity plutonium for the nuclear reactor, producing both pluweapons programme.

The fact that uranium was de-tected in Scandinavia early this week, washed out of the atmos-phere by rain, was one early is willing to export its indication of a reactor melt-down, before the Soviet Union licence them for construction acknowledged responsibility

Initial assumptions were that, Energy Agency in Vienna, if uranium had passed into the whose inspectors were given atmosphere, the meltdown must access to the Russian PWR last the rings of ceramic uranium access to the Russian FWA last the rings of ceramic uranium access to the RBMK.

radioactive leak at Chernobyl

power station, according to a study* just published by the

Output from Soviet nuclear

Economist Intelligence Unit.

The report argues that:

Soviet nuclear power

plans 'behind schedule'

THE Soviets Union's nuclear has not been carried out. power programme was beset by The report claims that the problems even before the Soviet nuclear industry's main

power stations had fallen behind plant compared with the schedule. original aim of 25,000 Mw. A

© Poor performance came further 65,000 Mw of capacity despite evidence that many is under construction,

stations have been operated for "Soviet Energy to 2000. EIU much longer than the normal 8,000 hours a year. "Special Report no 231 by Dr David Wilson, Price: North America \$345, Rest of World: imply that regular service work \$195.

N-plant unlikely to open

Swedes told Moscow can cope alone

By Kevin Done, Nordic Correspondent in Stockholi

THE SOVIET Embassy in Stockholm said yesterday that the Soviet Union had suffi-cient resources to deal with the consequences of the accident at the giant Cher-nobyl nuclear plant.

The level of discharges of radioactivity from the crippled reactor had fallen and the other three reactors at the site had been closed down, the embassy added. A senior doctor at Stock-holm's Karolinska Hospital has offered Swedish medical facilities to help treat radia-tion victims of the Chernobyl catastrophe, but the hospital had not received any approach —either official or unofficial

from the Soviet Embassy for help.
The Swedish Foreign Ministry said it had received no calls for medical help from

The radioactive winds that have blown over Sweden since the accident have abated, and the winds from the Kiev region are not expected to blow towards Scandinavia again before the middle of next week, according to Swedish meteorologists. Radioactivity measured in the air over Stockholm is now only a tenth of the highest levels reached earlier this week, according to measurements taken by the National Institute for Radia-

tion Protection. The institute estimates that at worst Swedes will be exposed to a level of radiation ene-fiftieth of that allowed as the maximum annual dose for someone exposed to radiation in his work, Mr Gunnar Bengtsson, head of the institute, said. In a number of May Day

speeches yesterday, Swedish Government and trades union leaders again attacked Soviet delays in releasing informaabout the Chernobyl accident

Mr Ingvar Carlsson, the Swedish Prime Minister, said swedth Frime minister, saut that neighbouring states must immediately give complete information in the case of nuclear accidents. "This has not happened from the Soviet

He said the result of the 1980 referendum to the effect that all of Sweden's 12 nuclear reactors should be phased out by the year 2010

Sweden's Communist Party, said that the Soviet delay in informing neighbouring states about the Chernobyl accident was "cynical, un-

FOREIGN STUDENTS LEAVE WHILE MOSCOW CELEBRATES

Chernobyl casts no shadow over May Day

TENS OF thousands of Musco- and angered by questions from vites waving red flags and carrying sprays of cherry blossom marched through Red Square to celebrate May Day yesterday oblivious of the world's worst civil nuclear disaster at Chernobyl in the

Meanwhile, foreign embassies in the capital are organising the evacuation of nationals, mainly students, from Kiev, the capital of the Ukraine some 80 miles from Chernobyl, and from Minsk which has been affected by the radiosctive cloud carried north by the wind after Saturday's accident.
Some 84 British students

Ukraine.

evacuated overnight by train from Kiev were checked for radiation in Moscow before being taken to the airport for the flight home. All were given certificates saying they were "effectively healthy."

Many appeared confused by Many appeared confused by to shower and put on a special the events of the past few days track suit while their own

correspondents and television crews. Some claimed they had been evacuated unnecessarily as the aircraft. a result of Western press exaggeration of the danger. Mr Robert Walker, a 22-year-old student from Bournemouth studying in Kiev, said he and the other students had stripped to the waist for their check-up and he had measured 20 on the Soviet geiger counter calibrated up to 25.

He said he knew nothing of the Chernobyl disaster until Monday and it had then been difficult to decide whether to believe the official account of a limited accident or the more apocalyptic stories from abroad. The students were to undergo a further radiation check by British Airways at Moscow airport. Anybody showing an abnormally high level will have

As foreign embassies work on exacuation plans, Soviet citizens have all started the first day of the four-day May Day holiday and are showing no signs of alarm over the disaster. At the exhibition of Soviet economic achievements in north Moscow, people are visiting one hall devoted to nuclear power

Here, visitors can obtain a leaflet at the exhibition on the RBMK-1,000 reactor, the first picture in which is of the white building of the Chernobyl plant. It is surrounded by electricity pylons and trees. The text of the leasiet is re-assuring. It says that in case of emergency the reactor's power is shut down "with a speed ensuring integrity of the fuel elements and structural

Hydro/ Total net

EEC electricity production in 1985*

clothes are placed in seaseled units of the reactor. If neces is now pursuing the file bags in the hold of the aircraft.

Medical staff are travelling on the aircraft.

The sease of the reactor can bring there have been a minute of the aircraft. it over to the sub-critical state." reports from Kiev calculated to reports from Kiev calculated to indicate that life is anomal. The Soviet position is that Western media coverage of the disaster is wholly exaggerated but there are signs in the past 24 hours of some afficial recognitions. The competitions off Soviet cyclists in Kiev which are qualifying races before the past 24 hours of some afficial recognition.

24 hours of some official recog-nition that the failure to an

nounce it until two days after the event has very seriously damaged the country's image abroad, particularly in Western Since Wednesday night more

Peace Cycle hate water starts here on May 6, have been at tended for two more days, reads one Tass report.

The second theme wildenly being emphasized is acceptance to the conditions of the co Since Wednesday night more information has been produced. Some Western ambassadors have been called to the Foreign Ministry to be told that the fire at the reactor is definitely out. Yesterday, the Canadian consul was given permission to go to Kiev to see Canadian students. He is the first diplomat allowed info the Ukraine since the management. into the Ukraine since the reactor blew up.

The Seviet news agency Tass

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UK electricity chief gives safety pledge

BY DAVID FISHLOCK, SCIENCE EDITOR

He said the RBMK reactor involved in the accident has "a number of unsatisfactory safety characteristics," which ensured that it could never be licenced or built in Britain. He said the British public was further pro-tected by the open discussion on safety involving the public, MPs and public inquiries, which guaranteed that there could be no short cuts.

Lord Marshall was making an unscheduled announcement on the accident at the annual lunch of the British Nuclear Forum. trade association of the nuclear industry.

He called the RBMK a unique The energy objectives for Russian design with no counter-1995 drawn up by the European part in the West, and of all Commission—but not yet reactors the one which least dopted by the member states resembled the CEGB's design of pressurised water reactor for Sizewell B in Suffolk.

He forecast that when the report of Sir Frank Layfield on report of Sir Frank Layfield on you that he small the sizewell public inquiry comes first he said appeared, it would prove to be mostly about reactor safety. The report is expected to be 1977 absindoned design work on delivered to the Government the steam-generating heavy early this autumn. early this autumn.

By British standards, the on the ACR and the Chernobyl type of reactor pressurised water reactor.

BRITAIN COULD never suffer the kind of nuclear accident the Soviet Union had experienced at Chernobyl, because of its attention to safety. Lord Marshall, chairman of the Central Electricity Generating Board, told MPs and nuclear industry executives in London yesterday.

(RBMK) had givered serious defects, Lord Enthality and the property was very hot, over 40 flegues Carlot in the property of the

A steam point forming in the RHMK would cause the reactivity to increase — the exact fevers of what you want for a reactly controllable spains. ● The RBMK did not have contimious emergency cooling.

Lord Marshall wald Britain Lord Marshine was Britain had looked at a pressure tube type of reactive timber to the RIME. In the militaries is an alternative to the AGRs. He said he had likeful the paper which Sir Jahn HE then chairman of the UK Atomic Energy Anthonity had not the Gov. man of the UK Abonic Energy
Authority had put to the Goverument shouling that Britain
could make such a reactor safe,
but that at month and be
economic.
The British states generating
leavy water reactor had been
superficially similar to the
RIBER and that obvious advan-

tages over the RBMK, and did not get through our system," he said. "I do must to stress to

stood firm. Mr Lars Werner, leader of plant into

of opening Austria's only nuclear power plant at Zwen-tendorf, some 30 miles west of Vienna. The plant which has The came out against commission-

THE ACCIDENT at Chernobyl ing it. Several subsequent is likely to put an end to hopes attempts to overcome constitutional obstacles to putting the

Vienna. The plant, which has The disaster has brought cost about Sch 10bn (£422m) almost unanimous condemnawas completed in 1978 but tion of nuclear power despite never used because a referen- the ruling Socialist Party's supdum in the same year narrowly port for commissioning Zwen-

EEC's reliance on N-energy BY QUENTIN PEEL IN BRUSSELS

THE European Community plies, while Denmark, Greece, heavily on nuclear energy for electricity supplies than any other major industrialised region of the world. That dependence has grown

dramatically since the first oil price shock of 15:3, when nuclear power stations accounted for only 5 per cent of net electricity production. By 1984, nuclear capacity had multiplied by a factor of five to account for 27 per cent of electricity production, or almost 11 per cent of total energy supply to the Community. to the Community.

Last year, the share of nuclear production in total pro-

duction reached 31.8 per cent for the then 10 member states, or 30.7 per cent including Spain and Portugal. The degree of dependence is

ireland, Luxembourg and Portugal produce none at all. A recent surg of newly-commissioned nuclear power stations in France, West Ger-many and Belgium has further accentuated the trend: average net nuclear capacity in the EEC last year totalled about 62 gigawatts (GW), expected to increase to 74 GW in the course of 1986, and 79 GW by the end of the year.

Italy is the most notable exception to the EEC trend, relying on nuclear power for less than 4 per cent of its electricity supplies last year ,while hydro-electric and geothermal sources account for 26 per cent. Planned new capacity in Italy, however, will add eight new reactors between 1990-95, matched only by the continuing none the less very different French nuclear programme, between the member states, with putting Italy almost on a par Franc and Belgium both rely-with Britain by 1995.

nuclear dependence, France, Belgium and West Germany—and third in terms of absolute production, ahead of Belgium.

West Germany has been slow to follow the nuclear path, at least in comparison with the French, but its nuclear production practically doubled over the past three years, from 62bn kWh in 1983, to 119.8bn kWh by the end of last year.

1995 drawn up by the European Commission—but not yet adopted by the member states in the Council of Ministers— call for nuclear power to generate 40 per cent of all electricity by that year, while the share of oil and gas would be limited to no more than 10

By 1985, nuclear power in the EEC represented about 100m tonnes of oil equivalent, ing on nuclear power for well The UK currently ranks or some two-thi over half their electricity sup-fourth in the Community for oil production. UK currently ranks or some two-thirds of North Sea

EEC to ration cash

for youth training and job creation

CASH FOR youth training and old must offer genuine pros job creation schemes from the EEC's Ecu 2.5bn (£1.6bn) Social Fund, from which Britain and Italy have traditionally been the biggest beneficiaries, is to be much more strictly rationed. The budget crisis in the Community, combined with high unemployment and the enlargement of the EEC to include Spain and Portugal, have re-sulted in the available funds being hopelessly oversubscribed.

New guidelines adopted by the European Commission this week will try to narrow the focus of the Fund, and concentrate its activities on the most badly-affected and economically-deprived areas. However, the Commission failed to agree on the final division of the funds

The guidelines for 1987-89 will reduce the number of regions eligible for cash, and cut from 63 per cent t, under 57 per cent, the working population affected.

The criteria for selecting areas include the level of unemployment, the income per capita, and the extra factor of suffering major industrial restructuring—to include declining coal and steel regions.

suffering major industrial re-structuring—to include declin-ing coal and steel regions. New rules mean that:

Projects to affect the long-term unemployed over 25 years

Solve the fact the ing-ing each year in the EEC bud-get, without cutting back the longer-term commitments to the

for 1986, certain to hit the pre-vious recipients to make room for the new member states.

Almost half the total funds

pects of employment";

• Restructuring grants will

only apply to industrial enter-prises and must benefit at least 15 per cent of staff ever two

• Aid for the handicapped can only be given where they have

an opportunity to compete in the outside labour market;

Local employment initiatives will be restricted to young people in regions which are not

top priority;

Grants for migrant worker programmes will be limited to the first three years of their

Almost half the total funds available—44.5 per cent—are supposed to be spent in top priority areas, which now include the whole of Portugal and many regions of Spain, but only Northern Ireland in the UK.

The 1986 budget included more than Ecu 2bn for the Social Fund, and a supplementary budget is seeking a further Ecu 500m. Apart from applications running at well over double that figure, there has been a build-up of unpaid past commitments totalling Ecu 2.8bn on January 1. The backlog reflects the fact that the

Danish growth marked up BY HILARY BARNES IN COPENHAGEN

DENMARK'S gross domestic per cent to DKr 612.8bn product grew 3.8 per cent last (£49bn). Gross fixed investing the bureau of statistics. This stant price terms by 14.6 per compares with an estimate in component of domestic demand. Public sector consumption rose by 4.8 per cent, compared with the December estimate of 2.5 cent. Real GDP increased by 2 per cent in 1983 and 3.4 per revised figure reflects a substantially higher growth in private by only 1.7 per cent. Exports of goods went up by 3.9 per cent. compared with the December estimate of 2.5

Gross domestic product in current value increased by 9.5

Public sector consumption rose to only 1.7 per cent. Exports of goods went up by 3.9 per cent. Real GDP increased by 9.5 cent in 1983 and 3.4 per cent in 1984.

Irish bid for US tourists

By Hogh Corner in Dublin

BORD FAILTE, the Irish tourism board, is to spend 12500,008 on a major campaign in the US to try to counter a zon of heliday cancellations caused by American concerns about reprosist attacks Europe.

Amousting the campaign bere yesterday. Bord Fallte said it expected revenues from North American visitors to be down between 15 and 20 per cent this year from last year's record of IEISOM as a result of cancellations following the recent class between the US and Libya. Original estimates had predicted a small rise. Coach tomas had been especially hard hit with some reporting cancellations as high as 35 per cent.

Receipts from foreign tourism were more than I£500m last year, forming an important balance of payments contribu-tion. Tourism also generates some 69,690 meanmal jobs in Ireland where unemployment is running at 18 per cent of the

workforce.
The chiust of the campaign
will be to persuade Americans
that Ireland lies well outside
the higherrisk Mediterranean areas and remains a safe destination. The Irish will be trying to peach Americans who are now reluctent to travel elsewhere in Europe

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Patrick Blum counts the cost of a bitter election campaign Old wounds open again in Austria

WHATEVER THE results of Sunday's presidential election in Austria, the long and bitter campaign will have lasting effects. The controversy surrounding Dr Kurt Waldheim, the former United Nations Secretary-General and a leading candidate, has opened up old wounds which will be difficult to heal.

The ruling Socialist Party and the opposition People's Party have invested a great deal in the success of their respective candidate. Defeat will inevitably lead to recriminations and the search for scapegoats. Both party leaders will come under strong pressure from critics in their own parties and their position could be threatened. As this stage of the campaign closes - a second round of voting may be held on June 8 if neither candidate wins an absolute majority on Sunday— Austrians have little time left to ponder over the controversy which has brought to the sur-face issues which many would prefer to forget. It has pitted a large section of the younger generation against their elders, encouraged nationalist and auti-Semitic sentiments, and deeply divided public opinion.

Dr Alois Mock, the People's Party leader, has described the

campaign as the ugliest in the campaign as the lighest in the country's post-war history. Certainly, the level of invective between the two main parties has been uncommonly bitter for a country that until now had prided itself on consensus and

prided itself on consensus and compromise.

The allegations against Dr Waldheim are at the heart of the controversy. He is alleged to have been a member of Nazi organisations and to have been implicated in Nazi atrocities in the Balkans. He has forcefully denied the allegations saying that they were part of a smear that they were part of a smear campaign to undermine his bid for the presidency.

Dr Waldheim and his supporters in the People's Party have accused the Socialists of masterminding the campaign against him with such vehe-

the Socialist administration if he is elected. That the allegations were

mence that there are doubts about his ability to co-exist with



widely taken up by the world Jewish Congress has also served to encourage anti-foreign and reopie's Party has called on Austrians to vote for Dr Waldheim will boost the People's Party's chances of forming a government or being part of a new coalition.

Although it has been also been als world that they alone will decide who is to be next Presi-

According to a recent poll, most Austrians believe Dr Waldheim has told the truth about his past and 2 per cent believe that he was implicated in atrocities. If anything, he has benefited from a wave of sympathy that looks likely to carry him to the presidency carry him to the presidency. He is still ahead with a lead of 2 per cent according to Socialist polls, and of about 8 per cent according to other polls. The higher figure would give him a good chance of an outright victory on Sunday.

Ms Freda Meissner-Blau, the "Green" candidate is expected. Ms Freda Meissner-Biau, the "Green" candidate is expected to pick up about 5 per cent of the vote mainly from younger voters and women. Mr Otto Scrinzi, a disisdent member of the Freedom Party the junior

treme right-wing views, is expected to win about I per The election will be an im-

Scrinzi a disistent member of the Freedom Party, the junior

partner in the government coali-tion, who is known for his ex-

portant test for the parliamentary election, due by April 1987 at the latest. A victory for Dr Waldheim will boost the part of a new coalition.
Although it has been doing better than its Socialist rival in the polls, its chances of winning an absolute majority are slim and it has pinned its hopes until now on the return of a until now on the return of a grand coalition with the Socialists similar to those which

ruled Austria after war until 1966. This makes it all the more important for the party that Dr Waldheim should win. He intends to play a far more active role as President than has been the case traditionally. He is expected to use the presi-dential powers to the full, especially when it comes to deciding whom to cal to form a government.

Dr Fred Sinowatz, the Socialist leader and Chancellor, fears that Dr Waldheim will interfere in the running of the counting on the revival of Government. He has shown no inclination for a large coalition, preferring instead the current small one with the right-wing of success. In the words of one Freedom Part. With relations hetween the two main parties for parliament has seel and truly between the two main parties for parlie so poor, it is difficult to imagine started."

a sudden change of heart on the Socialists' side. All of which explains why

these elections are so crucial for both parties. Most observers now believe that the parlia-mentary election will be held early—probably in October— whoever wins the presidency. Some Socialists argue that if Dr Waldheim wins it will be necessary for Dr Sinowatz to hold an early election to reinforce his position with a fresh If Dr Waldheim loses, they

If Dr Waldheim loses, they suggest it would be wise to go to the polls as soon as possible to take advantage of the disconfiture and probable crisis within the People's Party.

An early parliamentary election is also seen as desirable to prevent an over-long and acrimonious campaign, while Dr Waldheim himself may decide to dissolve Parliament which he would be entitled to do.

to dissolve Parliament which he would be entitled to do.

The Preedom Party stands to lose most either way and will want to cling to power as long as possible. It risks annihilation in a parliamnetary election, having lost support on its right because of its liberal leadership and to the Grens who could make their first entry into Austria's Parliament with unforeseeable consequencies. foresecable consequencies

The party is also divided between a nationalist wing and liberal wing led by Dr Norbert Steger, the party leader. A running feud between the two tendencies has brought the party close to all our properties. party close to an open split, with the "nationalists" threatwith the "nationalists "threat-ening this week to go their own way and ignore the federal leadership.

Dr Steger's problem is that

the right is strongest in pro-vinces where the party has most of its traditional support. In practice, this means that the party would be assured of seats in a new parliament, but the row threatens to topple Dr Steger thereby putting into question the coalition with the Socialists. His opponents are for parliament has wel and truly

Hungary set to write off steel debts

EUROPEAN NEWS

HUNGARY'S THREE biggest and loss-making steel com-panies are to be forgiven forints 23bn (£333m) in back debts, if their "reconstruc-tion" programmes win tion" programmes win approval from the State Committee Budapest.

This temporary reprieve for the Lenin, Osd, and Danube steelworks, which together owe forints 17hn in debt principal and forints 5hn in debt interest, means that they will not immediately come under the hammer of Hungary's new law on bankruptcy due to enter into force on July 1.

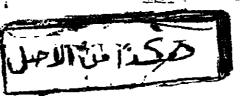
The three companies employ more than half the steel industry's 80,000 workforce and produce 65 per cent of its steel. Their financial reprieve indicates government nervousness lest so apparently capitalist as innovation as a bankruptcy law produce early corporate victims of such con-

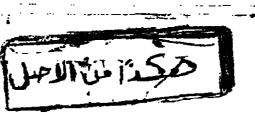
In fact, the steel companies, with the help of World Bank and Weslern experis, have already put together the out-lines of a reconstruction pro-gramme, involving smaller output of higher grade steels. But the state-funded invest-ment to achieve this is ment to achieve this is disputed, with the present 1986-90 plan offering Forints 7bu, the Ministry of Industry pushing for Forints 10hn-15bu, and the companies themselves calling for Forints 20bu.

20bn.

The law will inject into existing Hungarian law goveroing insolvency two new elements: the courts and creditors, and a State Rehabilitation Office. The lafter will intervene only where bankruptcy could cause major goods shortages or job losses.

The rescue of the steel industry is planned to be the last before the new law comes into effect. But since the Governor exists and the steel of the last before the use into effect. into effect. But since the Government will not want other unprofitable giants of Hungarian industry to go to the wall, other exceptions seem likely in the future.

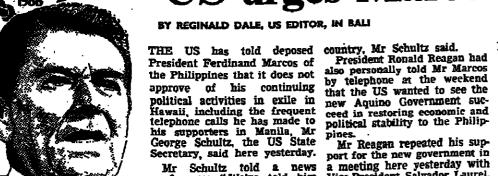




LEADERS GATHERING FOR ECONOMIC SUMMIT

US urges Marcos to curb activities

BY REGINALD DALE, US EDITOR, IN BALL



Ronald Reagan

Reagan to back Asean call for market access

By Out US Editor in Bali

PRESIDENT REAGAN, yesterday promised the six Asean countries that he would continue to fight pro-tectionism and take their demands for open access to world markets to the Tokyo

onomic summit.
"Any substantial cut in

"Any substantial cut in the commerce between nations would be an ununitigated disaster," he told Assan foreign ministers at a meeting here yesterday.

Mr Reagan listened to the concerns of the Assan countries—Indonesia, Malaysia, Thatland, the Philippines, Singapore and Brunei on problems ranging from fall. problems ranging from fall-ing oil and commodity prices to the difficulty of attracting US investment. Thailand expressed particu-

lar anxiety over recent US farm support measures that are severely damaging its vital rice exports. Mr Reagan pledged that he would carry the Assan message to Tokyo.

"as a Pacific Rim partner."

None of the six countries should doubt Mr Reagan's

snound doubt mr heagan's commitment to free trade, Mr George Shultz, the US Secretary of State, told a newscamference, and they had welcomed his renewed commitment to oppose protectionism both in the US and Inter-

nations could help in the struggle by removing their own protectionist restric-tions on foreign investment, Mr Shultz said Indonesian regulations, for example, were discouraging both indo-nesian and foreign investment

1 bid

US

W

his supporters in Manila, Mr

Mr Schultz told a news conference: "We've told him it's not a good idea" to continue

THE PRESIDENT of the

followers of Mr Marcos who had camped in front of the US

injured.
Mr Jaime Ongpin, the Finance Minister, told a meeting of the

Manila park.

Aquino plans radical

reform of labour laws

Mr Reagan repeated his supto try to wield political influence who had earlier said that he from Hawaii, But Washington wanted Mr Reagan to remove could not stop him doing so as lingering doubts about the he was a free man in a free strength of his commitment to

President Corazon Aquino. Mr Schultz added, however, that Mr Laurel had also been told that the US would like the Phillipine Government to give Mr Marcos a passport and stop country if he wanted to. Other had not.
governments had declined to Mr Laurel had given the imgovernments had declined to pointed out.

Schultz Mг stressed that the US wanted to should start with see the Aquino Government reforms at home.

succeed and was impressed by the economic, military and constitutional reforms that it was introducing. The Government faced a real military problem. however, because its own forces discouraging him from leaving had implemented a ceasefire, the US for exile in another while the communist insurgents

port for the new government in accept Mr Marcos, because pression that the Phillipines, a meeting here yesterday with Manila had warned that it financial needs were "infinite," Vice-President Salvador Laurel, the Phillippine Foreign Minister, friendly act, Mr Schultz not have infinite capacity to consider it an "uny" act, Mr Schultz mot have infinite capacity to
provide money and the solution repeatedly to the Phillipines problems

Thatcher to press trade issues on S. Korea visit

BY STEVEN B. BUTLER IN SEOUL

THE BRITISH Prime Minister, Mrs Margaret Thatcher, arrives in Scoul late this evening on route for the Tokyo summit on an official visit aimed principally at strengthening commercial ties with South

The visit is the first by a British prime minister to Korea, and following the visit to London last month of Mr Chun Doo-Hwan, the South Korean President, both sides are keen sevento play up the ceremonial aspects of the visit to draw maximum attention to a relationship that is growing.

see as growing commercial German Chancellor, yesterday opportunities for British companies, especially high technology companies, as the Korean Thailand's war dead, Reuter economy rapidly becomes more reports. He is on the way to the sophisticated. Mrs Thatcher will visit front-

line areas along the tense border with Communist North Korea, and will visit a large steel complex in the southern part of the country before heading to Tokyo on Sunday for the summit of industrial nations.
South Korea recently

removed a major potential irritant by quietly scrapping plans to phase out the import of bulk Scotch whisky, after the British Government applied considerable pressure. Trade still runs heavily in South Korea's favour, with a deficit that exceeded £250m last

● Italy's Prime Minister Mr Bettino Craxi, the first foreign leader to arrive for next week's seven-nation summit meeting landed in Tokyo amid extra tight security yesterday for a visit that also includes talks with Japanese leaders, AP

British diplomats in Seoul reports from Tokyo. are keen to emphasise what they Mr Helmut Kohl, Mr Helmut Kohl, the West Tokyo summit. He later flew to the southern city of Hua Hin for a luncheon meeting with King Bhumibol Adulyadej.

Mr Kohl told Thai leaders when he arrived on his four-day visit on Wednesday that West Germany wants just solutions to the Kampuchean and Afghan

Syria to take part in ministers' meeting

By Richard Johns in Fez

SYRIA yesterday surprised Arah League officials by telling them it would send a delegation to the Foreign Ministers' meeting here which has been called to propare the way for an Arab

Damascus was understood to have changed its mind fol-lowing an appeal by Libya for support and solidarity.

Mr Farouk Shawa, Syrian Foreign Minister, was ex-pected to arrive here this afternoon. But his aftendance is unlikely to ease the deadlock over the agenda.

Syria supports the Lihyan view that any top-level emergency meeting should concentrate wholly on discussion and condemnation of the US raids last month on Tripoli and Benghazi. Morocco, Saudi Arabia and other conservative Arab states are determined that equal weight should be given to the Gulf War.

Yesterday, most delegates were resigned to the fact that it would almost certainly prove impossible to obtain sufficient consensus among the foreign ministers to provide a basis for a summit

meeting of leaders. Nevertheless King Hassan, who has invested considerable effort in attempting to convene the meeting, con-tinued to persevere. He summoned all the chief dele-gates to his palace in an apparent bid to reach agree-ment on the basic outlines of an agenda.

Delegates meanwhile dismissed as groundless a report by the official Libyau news agency Jana that Saudi Arabia and Kuwait were prepared to join Libya, Syria and Algeria at a top-level meeting at Sebha, Colonel Muammer Gadaffi's home town.

BY PETER BLACKBURN IN ABIDJAN THE PRESIDENT of the would mean more difficult African Development Bank, access to the capital markets.
Mr Babacar N Diaye, will press More funds would have to be Mr Badacar N'Diaye, will press
the case for a 200 per cent
increase in the bank's capital
at its annual meeting in Harare
from May 5-7.

The Abidjan-based bank, the
most important pan-African
the case for a 200 per cent
raised in the form of subordinated debt which is tied to
capital provided by African
borrowing countries. This is
because the bank's credit rating
is linked to borrowings limited from May 5-7.

The Abidjan-based bank, the most important pan-African development financing institution, is seeking to raise its capital to \$18.4bn in order to help fund a \$9.5bn lending programme over the five-year 1987-1991 period.

The bank which includes 50 to 80 per cent of the callable capital of the bank's nonborrowing, mainly western,

African Development

Bank to seek 200%

increase in capital

The bank, which includes 50 independet African and 25 non-African members, has expanded

members. ● A major expansion in non-project lending is planned in the form of structural adjust-ment and sectoral loans. This would be additional to the years, increasing commitments by 28 per cent to \$709m in 1985.

1985.

Loan approvals by the bank group, which includes the softloan agencies, African Development Fund and Nigeria Trust fund, topped the \$1bn mark for the first time rising 31 per cent to \$1.1bn in 1985.

Speaking recently in Abidian or the first time rising 31 per ent to \$1.1bn in 1985.

Speaking recently in Abidjan, 5r N'Diaye said that there was eneral agreement among memory countries that the ADB were countries that the ADB will be given second priority in the 1987-91 programme with 25 per cent of total loans, ahead of transport, public utilities, health and education. Mr N'Diaye said that there was general agreement among member countries that the ADB should be an "important motor" • The resumption of borrowing for development in Africa. It should therefore be given the means to maintain the growth of its activities and raise the net 1987 will present fresh demands

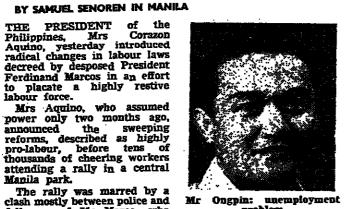
flow of resources to the on the bank's resources. Some non-African ADB members say that the planned continent, he said. Earlier scenarios envisaged 20 per cent annual increase in bank lending is overambitious 100 per cent and 150 per cent increases but bank officials now given the African debt crisis and the payment arrears of put forward several arguments for an even bigger increase— the first in which the bank's 25 non-African members will some of its members.

non-African members will participate:

Description from 25 per cent to 12½ per cent means the new lending programme will be financed to a much greater extent by borrowings on international capital markets. Nearly

national capital markets. Nearly enough experienced staff to \$3bn is expected to be raised in this way between 1987-91.

A smaller capital increase project lending.



Ongpin: unemployment Mr

embassy nearby. At least one person was killed and scores Mr Marcos from power,

In recent weeks, pro-labour announcements from the Government such as those involving mandatory profit-sharing, provoked many in the Asian Development Bank in Manila that unemployment had become a real problem with 15 business community to question whether any move at radical labour legislation would make to 20 per cent of the total labour force out of work and 35 to 40 per cent underthe economy recover more auickly.

There has been concern in The introduction of the new government and business sec-tors that a strongly pro-Labour policies which guarantee a minimum of government inter-ference in labour disputes and encourage workers to form particularly the entry of foreign capital.
Mr Ongpin indicated that the

confidence of the business com-



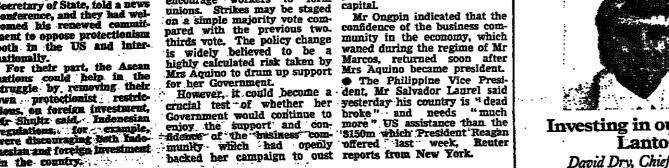
Lantor '

Lantor, through its subsidiary Firet, leads the world in its development of cablewrapping tapes for the power and telecommunications industries. It has water ingress. This reduces the risk of

is now investing £3.5 million in new production facilities for novel, purposedesigned nonwovens. The Lantor range includes medical and surgical dressings, core materials for the transportation and construction industries, consumer wet fire-fighting use...and water-blocking



pioneered a swellable water-blocking tape which protects expensive cable systems from damage and increases safety and durability. Tootal Group, through Lantor International, wipes, protective fabrics for military and



Sudan fundamentalists may join coalition to govern BY JOHN MURRAY BROWN IN KHARTOUM

SUDAN'S Umma Party, which controls the largest number of Dr Hassan Turabi, signalled his seats in the country's newly intention to work with Umma elected assembly, may turn to a conversation with reporters assembly.

(DUP).

Umma won 99 seats, the DUP
63 and NIF 51, in the 301member assembly. Polling was
not possible in 37 constituencies
in the south, base of the rebel
Sudan Peoples Liberation Army
(SPLA).

A coalition between Threes

A coalition between Umma and the Front had at one stage seemed unlikely because the latter's support for a strict interpretation of Sharia law, which is strongly resisted by the Christian south and which is one of the rebel's main originals.

elected assembly, may turn to in conversation with reporters the fundamentalist National earlier this week. He confirmed larger than the moderate between the so-called September 1983 with backing from the conversation with reporters and conversation with reporters that the so-called September 1983 with backing from the conversation with reporters in conversation with reporters that the support in the conversation with reporters the fundamentalist. National earlier this week. He confirmed abroad the support in the suppor

The repeal of the September laws remains the principal demands of the SPLA leader,

demands of the SPLA leader, Col John Garang.
Observers believe that Dr Turabi's apparent willingness to compromise and take a role in the new government was prompted by his failure to secure a seat in the assembly. It is due to meet on May 6, when the outgoing Sudanese leader, Gen Abdul Rahman Swareddehab, will hand over to a new government.

Thai Premier loses vote

higher registration taxes on consulting King Bhumibol diesel-powered vehicles — was Adulyadej at the royal resort rejected 147-43 after some Hua Hin about 150 miles south members of the Social Action of Bangkok. The bill-which called for

Opposition and government members of parliament said members of parliament said rest night that Prime Minister that Prime Minister or call fresh elections after the assembly rejected one of his pet bills, Reuter writes of hill—which called for the parliament of the parliament said with the opposition. Mr Prem did not turn up for a dinner given in his honour by German Chancellor, and his Mr Helmut Kohl, the West whereabouts were not known. They speculated he might be consulting King Bhumibol

leaders escape raid on temple

Sikh extremist

Security forces failed to capture Sikh extremist leaders when they raided the Golden Temple, the Sikhs' boliest shrine, Punjab police chief Julio Ribeiro told Reuter in Amritsar yesterday. He warned of possible reprisals against Hindus in the Sikhmajority state following the raid in which one Sikh was killed and two wounded. Police killed and two wounded. Police said 2,000 paramilitary police and commandos fired three shots and used 200 stun grenades in a 13-hour operation on Wednesday night to flush out separatists from the Amritsar temple complex.

Tamils feared dead

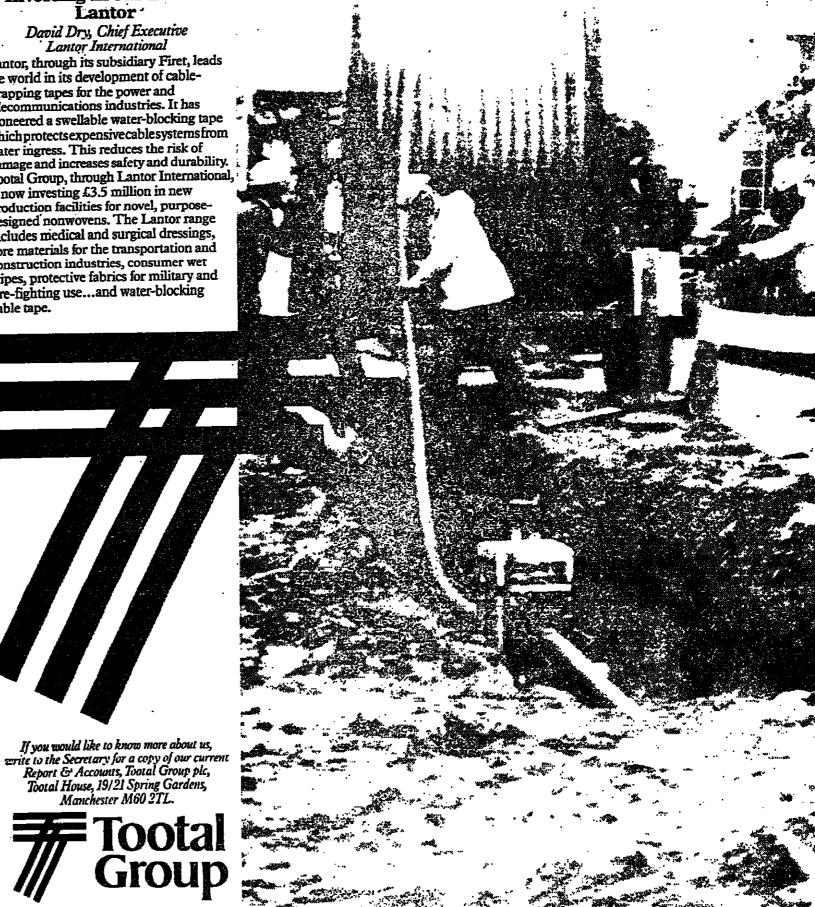
More than 300 people are feared dead in three days of fighting dead in three days of fighting between rival Tamil separatist groups in Sri Lanka, according to the official news agency Lankapuvath quoted by Reuter in Colombo. Residents in northern Jaffina said Mohan Sri Sabaratnam, leader of the Tamil Eelam Liberation Organisation, was captured when his isation, was captured when his headquarters fell to the rival Liberation Tigers of Tamil

Bangladesh protest ban The Bangladesh Government moved yesterday to stifle protests against parliamentary elections next week, banning anti-poll activity and detaining a key opposition leader and 12 other politicians.





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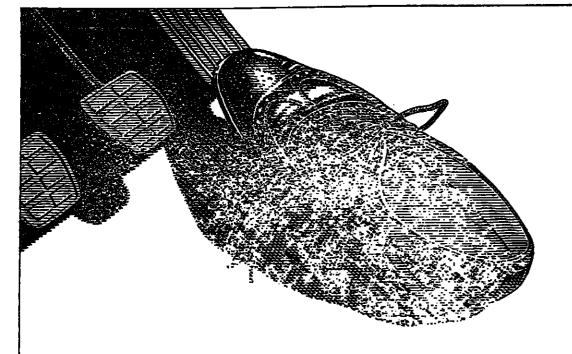
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HOW THE PACE OF OUR ACQUISITIONS HAS ACCELERATED.

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And all, we predict, highly profitable.

So, as you can see, it's not just the pace of our acquisitions that's accelerating.

The performance of the companies we've taken over is, too.

WARD WHITE

Dole seeks guidance

Financial Times

on budget compromi

resterday when the Com-Department saud that in M Residen: __i which has senerally been q strong, fel: 05 per erne March but non-residential struction feli 22 per cent a declining slightly in Februar

Canada ber of copyrigh BY BERNARD SIMON IN T

Canada has set up a C (£1.4m) fund to compen local authors for the use of t works in public libraries a first step towards referming country's outdated copyr laws country's outdated copyr laws.

The fund is a responsion to the fund is a partial lary committee last year in Charter of Rights for Creat which called for more stranged generous protection many forms of inteller property.

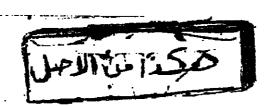
any forms of intellet property.

Although the Government accepted the bulk of the ret in has not yet drawn up leg tion to implement other red in his not yet drawn up leg tion to implement other red in his not yet drawn up leg tion to implement other red in his not yet drawn up leg tion to implement of the red in highly controversial.

An official of the Departm of Consumer and Corpo Anairs in Ottawa said profity is being given to it areas where reforms viewed as particularly uvige one is to extend to compute the same copyr works. At present courts the whether software qual the author's life plus 50 years to reverse a trend in the department is also keeper to the court of the department is also keeper the sum of the department is also keeper the property of the department is also keeper the sum of the department in the department is also keeper the sum of the department is also keeper the sum of the department in the department is also keeper the sum of the department in the department is also keeper the sum of the department in the department in the department is also keeper the sum of the department in the department in the department is also keeper the sum of the department in the

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extended copyright protect Republican on Contra

E Republicans hield defeat in their after dept unfettered rota Robert Michel, Holly leader, conceded t



Robert Graham, recently in Rio de Janeiro, reports on co-operation between two Latin American countries

Dole seeks guidance on budget compromise

By Stewart Fleming in Washington

SENATE majority leader Robert Dole has sought guid-ance from the White House about what sort of compromise on spending priorities and taxes the Reagan Administration might accept to revive the flag-

ging budget processes.

The mov ecomes amid deepening despair on Capitol Hill about the prospects of Congress being able to draw up a budget resolution. There is no sign of compromise in the Senate over the proposal from the Senate budget committee for spending cuts, revenue increases and cuts, revenue increases and defence spending cuts greater than the President allowed for in his budget message in February.

Expectations are growing that Congress wil lhave to try to grind out the details of the 1987 budget without the framework of a budget resolution to guide

Senator Dole, who described votes on the proposed resolution as "a budget meltdown" said yesterday: "The chances of a compromise are not very good. Maybe nothing will pass, maybe we will kill this one and try (again) later.

The budget debate in the Senate has stalled on fundamental issues concerning how deeply to cut defence spending, how much revenue to raise and what social programmes ought to be trimmed or eliminated. The fact that the White House has been sticking firmly to its hard line—resisting tax increases and holding out for a substantial rise in defence spending (which even administration officials concede privately that will not real privately they will not get)has also contributed to the difficulty of getting a budget

The forthcoming Congressional elections are another factor working against reaching agreement on a budget resolu-tion. Senators do not want to be seen voting either to increase their constituents' taxes or cutting funds for programmes that benefit them.

In the background too is the deepening scepticism about the Gramm-Rudman-Hollings budget reform bill. Some of its sponsors maintained it would force Congress to tackle the budget deficit rather than face the unpalatable prospect of another and deeper, round of automatic spending cuts, but many believe that the Supreme Court will find the bill miconsti-tutional as the Federal District

Court in Washington has already done.

• Renewed signs of weakness in the non-residential construction industry were reported yesterday when the Commerce Department said that in March construction spending overall fell 1.2 per cent in current

Residential construction, which has generally been quite strong, fell 0.5 per cent in March but non-residential construction fell 2.2 per cent after declining slightly in February.

Canada begins reform

, 12° 22

Brazil and Argentina swap ideas on economic plans TRADITIONAL rivalry between Brazil and Argentina has Catholic University (PUC) in
meant that Brazilian officials Rio de Janeiro in 1984 when a
and the media have presented
the new economic stabilisation began to cast around for models
programme as entirely original. to combat Brazil's chronic —
Yet the "Cruzado plan" bears and rising — inflation.

co-operation.

Finding common cause in the debt crisis, Latin American governments and academic in
Roberto Frankel. stitutions generally are ex-changing ideas and watching each others' experiences to an unprecedented degree.

This has occurred most among the high inflation economies of Argentina, Bolivia, Brazil and Peru. But it has also flourished under the umbrella of the Cartagena Group of the region's 11 main debtor nation region's 11 main debtor nation were and has since last year has received considerable encouragement from the singleminded efforts of Mr Enrique Iglesias, the Uruguayan The curious feature of the Argentine Brazilian co-operative. tion is that although the Austral Plan came first, there was, it now emerges, a strong Brazillan intellectual input.

The basic idea behind President Raul Alfonsin's Austral Plan was a price and wages freeze, combined with monetary reform, to defeat hyper-infla-

The feasibility of such a plan

Pact to fight cocaine trade agreed

FIVE SOUTH American nations have signed a co-operation pact to fight trade in cocaine which criminals in their countries illegally pro-duce and export around the world, Reuter reports from

Representatives from Peru, Bolivia, Colombia, Venezuela, and Ecuador signed the "Rodrigo Lara Bonilla" accord, clearing the way for joint anti-narcotics campaigns and exchange of information on traffickers.

The countries supply over 90 per cent of the raw material for the world's cocaine, refining nearly all of it for export.

The accord was named after the Colombian justice minister gunned down exactly two years ago by assassis backed by drug barens, The pact calls on the nations to introduce joint criteria on seizing the arrets of traffickers and extraditing

of traffickers and extraditing criminals participating in the narcottes trade.

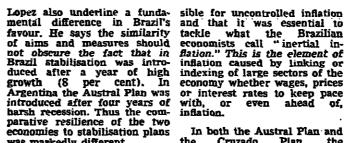
"It (the drug trade) is the only successful multinational in Latin America because drugs are our only product which increase in price in markets where the rest of products slump in price," Mr Alan Garcia, Peru's President, said at the signing ceremony,

a striking similarity to Argentina's earlier Austral Plan and behind the bluster of Perso Arida, Mr Andre Laranationalistic pride there has Resende and Mr Francisco been a remarkable degree of Lopes. Their ideas were picked to operation.

The fertilisation occurred when Mr Bernardo Grinspun was removed as Finance Minister by President Alfonsin in March 1985. His replacement, Mr Juan Sourroulle, brought Dr Frankel on to his staff. Co-ordination was sufficiently close that in May last year both governments were actively studying Israel's experience in stabilisation programmes and both sent experts to Tel Aviv at almost the same

While decided While President Anfonsin decided to act after his economic team had been working on the Austral Plan for just over three months, President Samey was more cautious. He waited a full six months until the end of this February. This delay allowed the Brazilians to observe the mistakes made by Argentina and also to prepare the ground for the stabilisation plan more thoroughly.

President Sarney (left) was more cautious than President Alfonsin but this enabled the Brazilians to learn from the Argentinians' mistakes



substitution was geared to take the authorities ensured through place over 12 months with de-regular price increases that valuations on a daily basis such a brutal realignment prior against the old currencies (peso and cruzeiro) because of the impact on rents and debt.

The table for regulating the devaluation of the peso against the austral and the cruzeiro against the cruzado was devised by Argentine economists. This is one of the elements "imported" by Brazil into its stabilisation plan. Both plans adopted similar exchange policies that stopped the former daily devaluations against the dollar and permitted instead, periodic adjustments.

In the case of financial reform, both plans acted to end the automatic linkage between inflation and interest rates on public debt, which effectively encouraged investors to put money in financial paper and not productive investment. In not productive investment. In Brazil this was more pro-nounced and the measures required were more wide-

Both plans also adopted indefinite price and wage freezes. But there were impor-tant differences here. The Austral Plan's price freeze was introduced after a series of very substantial price increases. During the 40 days prior to bleaved the Brazilians to economies to stabilisation plans the ground for the stabilisation plans more thoroughly,

Brazilian economists like Dr deficits were not solely respon
be ground or this retorary. In parative resilience of the two plans in both the Austral Plan and the measures fuel prices had the Cruzado Plan, the gone up 10 per cent. It was, the ground introduced a new absorb the price freeze in one (austral and cruzado); on Argentiaa without a roll-over the basis of 1,000 to 1. The effect from inflation. In Brazil,

to the freeze was unpecessary.
This meant that, while in the first month of operation the Austral Plan showed 6 per cent inflation, Brazil prices actually fell 1 per cent. The Brazilians also took the precaution of devising a new price index, while the Argentinians continued with their indoces

unchanged.
The Argentine approach to a wage freeze was also more draconian. Wages had been previously fixed a month in advance and with hyper-inflation this meant real wages were falling at the time of the freeze.

In Brazil wages were adjusted to an average of the previous six months' inflation plus a small top up.

The difficulties that have emerged in implementing the

emerged in implementing the Austral Plan can now be pinpointed, in the light of the Brazilian experience. These have stemmed from the smaller period of preparation, the large price rises before the freeze (which has meant inflation has had less chance to come down to acceptable levels) and the plan's introduction after four previous years of recession in

Argentina.
In contrast the greater flexibility, better preparation, less brutal price increases and the continued strong growth of the Brazilian economy, provide a better chance of success for the Cruzado Plan.

Alfonsin in drive for industrial expansion

INDUSTRIAL modernisation

INDUSTRIAL modernisation and growth are now priority goals for the Argentinian government, President Raul Alfonsin said yesterday.

In a keynote state of the nation speech televised throughout the country, he said "growth is an essential condition for the maintenance of long-term stability. The advances achieved in the The advances achieved in the fight against inflation must now be followed by a clear and defined policy in favour of growth."

The development of high-technology industries and greater co-ordination begreater co-ordination be-tween the agricultural and industrial sectors were key industrial modernisation oro-

recently announced decision to move the capital to Patagonia in the south of the country was also an essential part of the Government's plan for the country's econo-

mic renovation.

Constitutional reforms would be necessary to deepen the process of democratisation of the country. Democratisation throughout South America was a prerequisite for greater economic co-operation on the

How to be the successful transatlantic business traveller.

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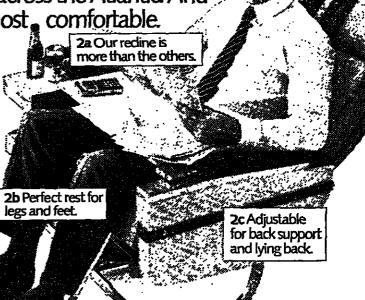
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Domestic Departures

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of copyright legislation BY BERNARD SIMON IN TORONTO to industrial designs. Industrial designs are normally protected for only 10 years.

Finally, the planned removal of criminal remedies related to Canada has set up a C\$3m (£1.4m) fund to compensate local authors for the use of their works in public libraries as a

first step towards reforming the country's outdated copyright laws.

The fund is a response toproposals made by a parliamentary committee last year in a
"Charter of Rights for Creators"
which called for more stringent
and generous protection for
many forms of intellectual

property.

Although the Government has accepted the bulk of the report, it has not yet drawn up legislation to implement other recom-

tion to implement other-recom-mendations, some of which are highly controversial.

An official of the Department of Consumer and Corporate Affairs in Ottawa said that priority is being given to three where reforms are priority is being given to infections are areas where reforms are viewed as particularly urgent. One is to extend to computer software the same copyright protection applicable to literary protection applicable to literary works. At present, courts decide whether software qualifies for copyright protection during the author's life plus 50 years.

The department is also keen to reverse a trend in recent

copyright from Canada's criminal code has increased the urgency of including them in copyright law. The parliamentary committee recommended

tary committee recommended sharp increases in penalties for copyright infringements.

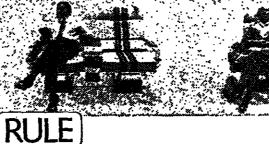
The department aims to draft legislation on these three issues by next autumn, subject to consultation with the Federal Department of Communications.

Other changes to the copyright law proposed in the parliamentary report are likely to take longer to implement. For instance, US broadcasters and other television producers have pressed Canada for some time to compensate them for cable and satellite retransmis-sion of their programmes. The cost of such royalties is esti-mated at between C\$11m and call at petween Callm and Casam a year, reflecting the wide viewership of US television programmes in Canada. The report, published last October, also called for taxes

to be levied on machinery and judgments giving tapes used to record copy-copyright protection righted material.

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Leading the way to the USA

Republicans admit defeat on Contra aid strategy Republicans have majority Democrats have the

admitted defeat in their attempt to win an unfettered vote on President Ronald Reagan's

votes to delay indefinitely renewed House consideration of



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This virtually ensures that any military help would be tied with strings Mr Reagan does not want.

It marks another setback for President Reagan's plan to supply \$30m in non-lethal and \$70m in military aid to the Contras.

Mr Robert Michal minoritary help would be tied issue to a vote during the week of June 9—but apparently in a form that has not been acceptable to Mr Reagan or the Republican leadership.

A key vote will be an amount that would ment that would need that would need the contrast in the strings of the contrast in the contras in military and to the Consease in non-zernar and but noted.

Hr Robert Michel. House approval of \$70m in military aid

Mr Robert Michel, for a 90-day negotiating period.

S. Korea shipbuilders profit from rising yen

SOUTH KOREANS, in their blunt way, have never made much secret of their inten-tion to grab as many of the world's new shipbuilding orders

as possible.

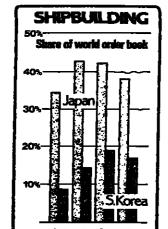
Fifteen years ago, they were hardly known in the industry. But then Hyundai built its big yard at Ulsan and Korea forced its way to the number two slot. Now, the surging yen gives it a chance to take an even larger share, as Japan's competitive-ness is steadily submerged.

ness is steadily stormerged.
It is an opportunity they fully intend to take. "Japan is being hit by the rising yen," said Mr Kim Mahn-Je. Deputy Prime Minister and head of the Economic Planning Board.
"We are taking their chare." "We are taking their share." he added. "Korea has a great price edge against Japanese ships. Demand is smaller, but we are optimistic about gaining market share."

The assertive message is one

with which Korea's competitors have become all too familiar. Even so, with world shipping in the doldrums and owners scrambling to stay out of the bankruptcy courts, these are not the best of times for yards, even in Korea.

This month, Japan and Korea hold further talks in Seoul to try to bring some order to the market. They are likely to agree extensive production curbs, while Japan also intends to slash capacity further. At the end of 1985, Japan had 38



per cent of the world order book 25.9m gross tons and Korea

Over-capacity in world ship-building is huge. Japan, as the leading shipbuilding nation, is being hit hard by the slump in demand. Export orders have slumped. In Korea, the 1985 total of new export business was only \$522m, against \$2.3bn in 1984.

Against this dismal back-ground, Korean shipbuilders seem remarkably cheerful.

Today's Pan Am

"The strength of the Japanese yen has made us quite competitive," says Mr Y. S. Yoon, president of Daewoo Shipbuilding and Heavy Machinery.

Daewoo runs Korea's newest shipyard at Okpo on Koje Island. A predecessor of Mr Yoon, Mr I. K. Hong, said bravely in a speech in London in 1983 that Korea aimed to take the lead in shipbuilding, though others would later supplant it.

The remarks provoked a furore among European executives in his after-dinner audience. They did not like what they heard. But Okpo and the bigger Hyundai yard at Ulsan have won the world's biggest ehinbuilding orders in the 1980s.

Alack.

Mr Yoon was brought in last year. Island. Heavy Industries. Profits have been falling and are likely to disappear this year.

"Now," Mr Hwang adds, "it is only the national lines which group's owners are hesitating." Hit by falling freight rates and overthan 35 per cent."

Korean yards are modern and productive. But Japan is way ahead on efficiency, though korea aims to close the gap.

At Okpo, wages and bonuses total \$450 a month, less than a third of the Japanese level.

Korea's yards use about two and a half times the number of Japanese workers. shipbuilding orders in the 1980s.

Okno, near the southern port city of Pusan, cost \$500m to build. Daewoo was virtually instructed to go into shipbuildonly problem was that this expansion came as the industry was ready to take a dive. Okpo began in 1981 with a huge order book. Recently, it completed the largest merchant shipbuilding order ever, when it

delivered the 12th container ship in a \$570m contract for United States Lines. But Daewoo's eagerness to

cope with rapid growth at Okpo. been winning business. It is

while admitting that profits are Stocks became expensively high full until the first half of 1987, virtually non-existent. and production controls were says Mr S. H. Hwang, senior "The strength of the Japanese slack."

years.' Despite slack times in shipping, Daewoo has been pulling in work. It has enough to last At Okpo, Daewoo is trying to bring the shipbuilding proportion down from 85 per it until early 1988, an enviable position in the beleaguered cent to around 50 per cent by shipbuilding industry.

It has just won an \$81m contract to build two barges for a Dutch company, expects another order for a \$30m car carting the state of the s switching capacity to general engineering and industrial

Many world yards, including Korea's, moved into oil rig building a few years ago. But lower oil prices have hit this business and orders have dried rier from Norway—it is already building two—and is waiting for India to confirm orders for six edible-oil carriers totalling

The price cuts will lower "I think we can do better shipowners' costs, however, an break even on these new 'Thus says a confident Mr Eum: gather orders also caused prob-lems. It had to take on many orders," says Mr Yoon.

"Korean shipbuilding still has outside contract workers to At Ulsan, Hyundai has also a future. It will be the first to

US wins A\$500m helicopter contracts

By Emilia Tagaza in Canberra THE AUSTRALIAN Government has awarded two contracts worth almost A\$500m (£250m), to United Technologies of the

US.
The order was won in the face of strong competition from France's Aérospatiale which offered its Super Puma helicopter.

Mr Kim Beazley, Defence Minister, announced that the first contract was for 14 Sikorsky Black Hawk heilcopters which will eventually replace the Royal Australian Air Force's Bell Iroquois UH-1H helicopters.

The Air Force will acquire up to 100 helicopters under a new defence policy expected to be announced next month.

The second contract, worth A\$188m, is for an additional eight Sikorsky Sea Hawks for the Australian Navy. The navy already has eight of these

helicopters.
Mr Beazley said the two contracts will generate A\$120m of new work for the Australian

erospace industry. Under Australia offset rules foreign suppliers of government contracts are required to pass on part of the work to Austra-lian companies.

UK cheap credit for China proves hard to allocate

BY CHRISTIAN TYLER, TRADE EDITOR

Chinese foreign trade officials today conclude 10 days of talks in London aimed at matching British and Chinese lists of

suitable projects.

The talks are in preparation for the visit to Britain in two weeks of Zheng Tuobin, Min-ister of Foreign Economic Relations and Trade, when the soft loan agreement is due to

British officials have been looking seriously at "several dozen" UK applications, includ-

of foreign exchange has created a rush of interest from enter-prises in China itself who are

THE £300m of cheap credit that China may be ruled out because Britain has promised to China the British load is not intended is proving difficult to allocate to subsidise deals that would because of big demand in both normally be done our commercountries and the need to concil terms.

be signed.

ing bids from a number of household names, to use the highly concessionary finance. Some of the applicants, meanwhile, have complained at the was pledged by Britain in re-slowness of the selection. sponse to strong competition. Although the talks were said from other. West European

by one ministry official to have gone "quite well," it appears there are several snags.

One is that China's shortage

because of big demand in both countries and the need to conform to British aid policy.

Exporters hoping to take advantage of the subsidised terday: "We are hooking at credit for funding projects in China may learn later this month how the money is to be allocated.

China for the Chinese "

Internal for the Chinese the Chinese "

Internal for the Chinese t

ment for the Chinese."

Behind the scenes, officials seem anxious not to "spot" the Chinese market for the future by being too liberal with sub-sidised credit now. Other Asian markets have already been spoiled in this way, according to

past government statements

A similar snag, on the British A similar snag, op the British side, was reported by one bidding company yesterday.

The number of applicants has been swollen by a decision to lower the qualifying size of China projects from 15m and over to film and over. It was suggested that the smaller fry may in practice fall to qualify.

The £300m-worth of soft loans

sponse to strong competition from other West European governments and Japan.
Industrialists, some of whom visited China on government trade missions, also demanded

that a facility be set up.

The money will be raised by the banks, and the government will inject aid money over the prises in China toseir who are the banks, and the government on longer able to pay cash for will inject aid money over the imports of machinery and know-life of the loans to produce how.

Many of these requests from repayable over 20 years.

Canada hopes rise as World Fair opens

By Bernard Simon in Yancouver

THE EXPO '86 World Fair opens in Vancouver today amid high expectations that it will be one of the most successful events of its kind in recent

Based on unexpectedly strong demand for advance tickets, the organisers estimate that around 5m people will visit Expo over the next five and a half me Although the fair is unlikely

to make a profit, the deficit is expected to be kept within the original estimate of around C\$300m (£25.2m).

In line with the theme of the organisers have stretched the rules to give the

stretched the rules to give the fair a wider appeal.

Among other attractions will be visits by the Kirov and Royal Ballet Companies, an amusement park, and a large number of industry conventions.

Pavilions are located on two waterfront sites close to Vancouver's downtown area. They are connected by the city's new light rall rapid transit system.

new light rail rapid transit system.

The fair's 57 international exhibitors include the US. Soviet Union, China and Cuba, the first time that these four countries have taken part together in a trade fair in North America.

Britain has an especially strong presence and plans to use Expo as the centreplece for a concerted trade promotion drive throughout Western Canada. Prince Charles and Princess Diana will officially open Expo '86 today and Mrs Margaret Thatcher, Britain's Prime Minister, will visit the fair in July.

Early planning and construction of Expo '86 were dogged by labour unrest and an unsettled economic and political climate in British Columbia, But optimism has revived after an aggressive marketing effort in the US and Canada,

Japanese to boost overseas insurance cover

By Yoko Shibata in Tokyo

national Trade and Industry (Miti) is to improve insurance coverage for Japanese com-panies overseas investment.

The move is in response to growing pressure for Japanese business corporations to shift

production overseas to offset the yen's steep appreciation. The current overseas investment insurance has only a limited coverage of the commercial risks incurred by Japanese companies' overseas

subsidiarles. In addition Japan is planning "world in motion—world in to join the projected Multi-transport and communications. Agency (Miga). gency (Miga).

The agency will be affiliated to the World Bank, and will reinsure against large - scale investment risks. It is due to be set up in fiscal 1987.

The Japanese government is to sign a protocol this year and will ratify the convention in the next Diet (parliament) So far, the Netherlands, Italy, South Korea, and Ecuador

have signed the Miga protocol.

VW's Golf/Jetta range leads Europe car output

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT THE VOLKSWAGEN Golf/Jetta Escort/Orion range was among

THE VOLKSWAGEN Golf/Jetta range dominated West European car production last year, according to an analysis by the UK's Automotive Industry Data (AID) group.

Output of the models at VW's highly automated Hall 54 in Wolfsburg, near the East German border, was well ahead of the nearest rivals.

The Golf hatchback alone was Still clear leader in 1985, with 648,096 built.

General Motors' Opel Kadette/ Vauxhall Astra, also mainly built in West Germany, just (185,093); Austin Rover Metro (185,093); Austin Rover Metro (186,536), and the Fiat Regata production league.

Ford of Europe had more models in the top-ten list than any other manufacturer and its

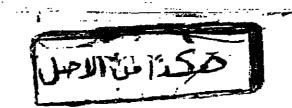
WESTERN EUROPE: TOP 10 CARS PRODUCED IN 1985

THE NEW SE & SUMME 3 EVO

WESTERN EUROPE: TOP 10 CARS PRODUCED IN 1985 Manufacturer/ model

1 Yolkswagen Golf/Jetta 2 General Motors' Opel Kadette/Vauxhall Astra 3 Flat Uso 4 Renault 9/11 5 Ford Escort/Orion 4 Peugeot 205 7 Renault 5 878,991 576,351 555,572 474,773 454,089 343,726 7. Renaus; 5
8. Ford Flesta
9. General Motors' Opel Ascona/Vauxhall Cavaller 10 Ford Sierra

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At JFK New York, we have the only terminal with international and U.S. flights under one roof. So it's just a short walk to your connection.

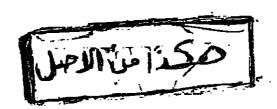
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travel you will appreciate all the space on board. Space to work, think, or simply relax. To enjoy the fine food, wine, the latest movies and stereo entertainment.

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Since their inception the S-class and SL have always been the total embodiment of the classic Mercedes-Benz ideal that began the first century of motoring: the best, or nothing.

A fine balance of what is possible, what is desirable and what is expected. Many things are now feasible that were

A change of pace, but not a change of direction. as bold ideas when the second generation S-class went into production over six years ago.



- THE NEW MERCEDES-BENZ S-CLASS, SEC & SL MODELS

117

——And today's S-class and SL models demonstrate how the new thinking that Mercedes engineers have taken on board relates to real progress rather than the dictates of fashion.

For this top-of-the-range series a completely new six-cylinder 3-litre engine has been developed alongside a new 4.2 V-8 unit and the proven 5 litre engine.

The new engines are more powerful and more silken than before.

Fine tuning of the S-class suspension has resulted in an even higher degree of smoothness and stability (rear seat passengers are now in for a quieter and more stress-free ride than ever).

The exterior, too, has become subtly more in tune with the air flow.

The observant will notice a deeper front spoiler, smooth side mouldings, and integral fairings that reduce drag and lift forces still further.

In all, the new S-class and SL range has a specification that goes significantly beyond the previous one.

Yet, reassuringly, very little appears to have changed at all. Which proves that consistency of direction is the surest way of achieving progress.



Engineered like no other car in the world.

UK science policy gets the IBM touch

"MY BACKGROUND is making universities, through an educavery hard-pressed for cash. money out of technology," says tional scheme called the IBM More obviously self-serum John Fairclough. "I'm not institute. It begins with the for IBM interests in his rec Yesterday Mr Fairclough be taught less as a discipline officially began a two-year secondment from IBM (UK)—
for which he has worked for 27 search to the Cabinet Office as twister. years—to the Cabinet Unice as the UK government's new chief scientific adviser. ars—to the Cabinet Office as subject.

A forthright Yorkshireman of 55, with an engaging grin, Fairclough is the antithesis of smooth Sir Humphrey of television programme "Yes, Manister." He makes it clear that he will be no lobbyist for academic science. He will not even use the honorary doctorate academe has bestowed. He is proud of being an electrical engineer and "plain mister."

Yet the academic community.

universities to bid for substantial packages of computing power and skills, worth up to 22m each but available gratis, as teaching alds for the students. Beneficiaries already include the engineering department at Cambridge, chemical engineering at Imperial College, the Manchester Business School, and even PPE (politics, philosophy and economics) at Oxford. The next will be bio-

Fairclough has been inviting universities to bid for substan-

More obviously self-serving commitment of about £2.5m to computer integrated manufacturing (CIM) studies at the Cranfield College of Technology. At its plant in Greenock, near Glasgow, which is the centre for all its personal computer production in Europe, IBM believes it has one of the most advanced examples of CIM coming on-stream. Cranfield will help keep a key manufac-turing technology advancing in Britain, and will train IBM's future managers and — a growing worry, he stresses — those of its British suppliers. Fairclough walks into the Cabinet Office as a company man, still on the IBM payroll, seconded initially for two years.

vailed upon Sir Robert Armstrong, head of the civil service, not only to give him the "freedom not to get buried in Whitehall hierarchy," but also to persuade the new IBM (UK)

engineer and "plain mister."
Yet the academic community, which once saw the post of CSA as its voice in the Prime Minister's ear, may find Fair-clough initiative might be as the gesture of a rich foreign clough a very staunch ally in pursuing at least some of its aspirations: "small science" than some of its grander schemes.

For the past two years be has been pumping IBM money generously into chosen British

it is all down to whom be can influence, right up to the PM herself. He was undenlably successful, and recommended Fairclough as his successor. Already Fairclough has prevailed upon Sir Robert Armstrong, head of the lower spends. It is some measure of the job he leaves that it is being filled by two senior IBM executives. Above all, he brings a conviction that science needs much more skilful management in Britain, and the strong, head of the lower spends. philosophy here which should be applied much more widely. Britain is a naturally inventive society. "It's the pull from industry that is the major problem."

to persuade the new IBM (UK)
chief executive, Mr Tony
Cleaver, to second him at his
IBM salary (which substantially
exceeds that of Sir Robert
himself).

The rick, he says, is to
separate research cleanly from
the pressures of development
and production — without ever
losing sight of the science.
Instead of "R and D," research
should remain the responsibility
of scientists, while development of the IBM 360 series in
the mid-1960s, a spell as marketsecond him at his
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the pressures of development
solution— without ever
losing sight of the scientists, while development should remain the responsibility
of scientists, while development of the IBM 360 series in
the mandarins.

Smooth transfer of science.

Smooth transfer of science across the divide between research and development has been a vital part of his job for over a decade. It begins with funding the scientists adequately and independently for objectives relevant to the corporate goals, and ensuring that the project managers have every incentive to dip constantly every incentive to dip constantly



Mr John Fairclough believes science needs much more skilful management in Britain

into that science. Fairclough admits that he does not yet know how far the IBM model will apply nationally to Britain's weaknesses in exploiting science and native inventiveness, "But it's a good starting point."

He fears, from his own recent experience of life in the universities, that there is a danger already that Britain's pure science base is becoming overdiluted with development work from industry, at the expense of producing new science for future generations of products.

> The problem is to extract. the ideograms the writer wants and assemble them in text. Fortunately, there are established "Westernised" versions of Chinese sounds, widely known by educated. Chinese One is Pinyin, which uses English characters in groups to simulate the basic

US system

processing

in Chinese

WHEN IT comes to word pro-

cessing the Chinese have a problem. There is no alphabet. no straightforward method of typing and any uttered sound has a meaning determined by the intonation.

Each verbal variation has a

written character of its own, giving rise to many thousands of characters.

The problem arises from

the fact that all sounds in

Chinese are single syllable,

and since there is a limit to the number of such sounds a

human can utter, the Chinese

have had to allocate many meanings to them.

Nevertheless, the potential word processing market is immense and a Minneapolis company, Intech Systems, has contained and are contained to the cont

set about exploiting it with a \$3,500 desk top machine. This

has a touch sensitive screen but no keyboard, and is connected to a disk store and a high definition dot matrix printer costing an additional.

\$1,500. Versions are available that have either \$ 000.

that have either 6,000 or 13,000 Chinese ideograms in

By Geoff Charlish

for word

White Horse Calm Cover TO SILENCE YOUR COMPUTER PRINTER T 0845 24040 T

Financial Tin

The user of course knows the ideogram he wants, and the phonetic Pinyin version; for example, wan. On an initial screen display, the Roman alphabet is shown and the near tensions the Table 1981. the user touches the "w." The next screen brings up all the sounds that start with "w" in their Plnyin forms — wang, in their Pinyin forms — wang, wing, we, etc, and wan. He touches "wan" and the display changes to show all the ideograms with that basic sound, in intonation groups. Touching the required ideogram shifts it to an "assembly line" at the top of the screen. Repetition of the process for all the following ideograms gradually builds up a line of text.

Intech claims that, unlike most Chinese text machines with keyboards, very little training is needed and the new system is relatively fast. After blocks of text are built up (either vertically in tradi-

up (either vertically in tradi-tional Chinese style or in western jeft to right fashion); the normal word processing functions are available to correct or rearrange the text. Apart from its "stand alone" role the machine, designated CP2054B, can be connected to existing personal computers and minicomputers / mainfrance, of which there we there to be which there are thought to be 120,000 and 1,200 respectively in China.

No-winding motor from Japan

SMALL MOTORS that use sonic vibrations to generate motion have been developed ishita and could be marketed next year.

Instead of electric currents that generate magnetic fields to cause motion, the new motor makes use of picze-electric tranducers, crystal-based devices which produce small oscillating movements and forces in sympathy with applied alternating voltages.

An arrangement of the transducers (not revealed by Matsushita) embedded in a stator causes a circle of metallic segments to vibrate, so that rotation occurs in the disk or ring rotor with which they are in contact. The stator turns the rotor by friction. Matsushita claims that 45 per cent of the input electrical power is converted to mech-

The simple structure means that lightweight and compact motors with high torque at low speed can be designed. Other advantages claimed are a high holding torque when stationary and stable control of low-speed rotation.
Likely applications will be

in camera zoom drives, industrial robots and car equip-ment. Matsushita's brands in-clude National, Panasonic,

WATCHING

EDITED BY GEOFF CHARLISH

OPTICAL DISK subsyste have been launched by Sperry for the Series 1100 mainframe computers, pre-viding over 2.6bn bytes (characters) of storage per double-sided platter. Sperry offers systems holding up to 330bn characters (330 gigabytes) of data.

Based on Hitachi non-erasable optical recording units, the subsystem is used to write data once only and then read it many times.

Optical disk storage is well suited to keeping large amounts of data en-line and also for archiving information. It work well in tandem with magnetic storage, which is applied to high-speed read

and write while the optical disks are used to hold mass data that is less frequently used, with interchange on and off the magnetic disks.

TELEPHONE testing systems that reduce maintenance costs and can pin-point faults have been developed by Teradyne, the US-based automatic test equipment company in Bracknell, UK (0344 426899).

For example, with liberali-sation and the proliferation of customer-connected equip-ment, phone companies need to know if a fault is theirs, or the customer's. So Teradyne has devised a small unit called D-MARC which is used remotely from a tele-phone repair centre. The line is examined electronically as far as the D-MARC box and if the fault is not revealed a pulse is sent which opens the premises to further testing.

Teradyne has also deve-loped a CDS or craft dispatch system, which obvizes wait-ing problems when many field service engineers try to ring in for instructions first thing

Disc-type ultrasonic motor

in the morning. Job data previously entered into a central memory by the dispatcher can be quickly accessed as a recorded voice message when the field engineer keys in the right codes.

Plezoelectric Elements

MOORING LINE tension monitoring systems worth £400,000, made by Isle of Wight (UK) company Strain-stall for oil and gas tankers,

have been sold to four Japanese companies in Tokyo, Osaka and Chubu. Line loading signals from

up to 40 mooring lines, measured by transducer, are relayed to a dock-side computer that records the tension in each line and then simulates the situation on a visual display screen. Overloads and underloads are shown, and alarm signals sound in dangerous situations.

BICC boost to machine safety

MACHINE SAFETY systems for industry have been intro-duced by BICC Electronic Cables (051-430 2615) for use where personnel must be pro-tected from moving mach-

inery.

Called Pressline, the system is based on a robust, pressure sensitive electric cable and is a cost effective alternative to mechanical pull wires, panic buttons, pres-sure mats and limit switches. When the cable is pulled, bent or compressed, electrical resistance between the two conductors changes, causing an electric monitor to stop

INTERGRAPH

AN article on April 17 stated that Intergraph's share of the Cad-Cam systems market fell last year. The company has asked us to point out that its total sales last year rose 30 per cent, faster than the estimated 23 per cent growth of the total

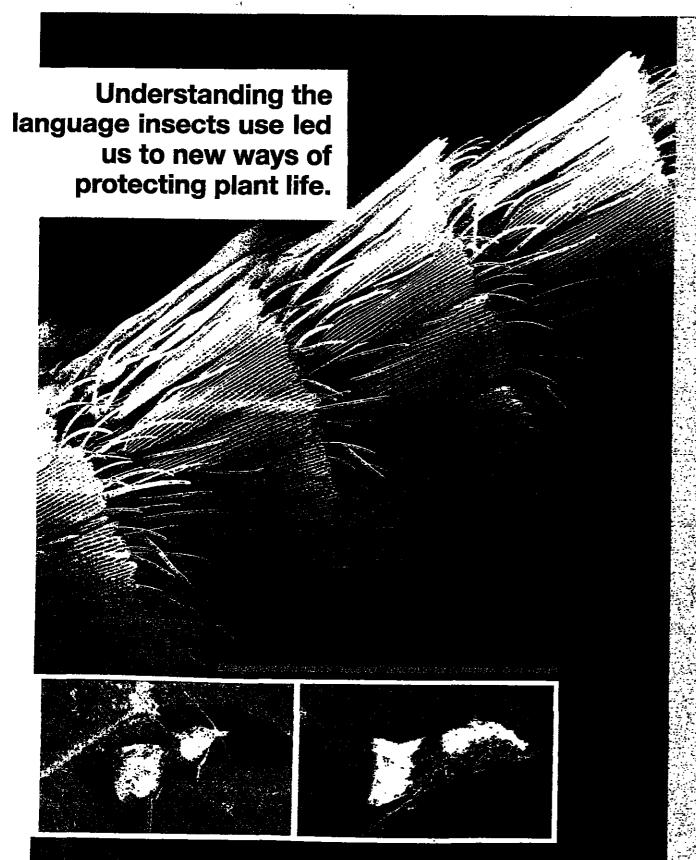
Smaller companies make better use of research

BY PETER MARSH

than larger ones in converting cash spent on research and development (R and D) into products, according to a US study. Companies with sales of less than \$100m are likely to produce roughly six times as many products for a constant amount of R and D spending as enterprises with an annual turnover above \$45n.

SMALL technology-based com-panies are much more efficient just 0.59 products for the same expenditure on research. For all enterprises surveyed, For all enterprises surveyed, with turnovers ranging from less than \$100m to above \$4bn, the rate of emergence of new products was 1.75 for every \$1m of research.

These results are in a mass of data in a 314-page compen-dium of statistics related to international science and tech-According to the data, based Science Foundation. The document 1982, a company in the first category produced 3.76 products 1985, US Government Printing for every \$1m of R and D. The Office, Washington DC 20402.



Pheromones are the insect world's means of communica tion. They're the secretions: used for sexual attraction. warning signals and leaving a scent:

Deciphering this scented lan guage has enabled chemists and biologists to create a conpletely new method of selective pest control. For instance by using a special synthetic substance that exactly repreduces the female's scent becomes possible to totally disorientate and confuse dismale. The result less ment lewer fertilised eggs fewer insects.

Applying these synthetic phe romones in individual crops requires a special technique.

 By encapsulating them in 3. water thin plastic sheets or strips, a precise dosage cain be continuously released. throughout the insects' mater



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Rothmans shuts factory and sheds 793 jobs

BY OUR BELFAST CORRESPONDENT

ROTHMANS (UK) yesterday announced the closure of its cigarette factory at Carrickfergus, near Bel-fast, Northern Ireland, with the loss of 793 jobs.

Production is to be concentrated at the company's factories at Dar-lington and Stennymoor in northeast England where it will achieve reductions in management costs

The announcement caused further worry in Ulster, Northern Ireland, particularly in the east An-trim area, where the plant has operated since 1964. In the past week other companies in the area have announced more than 200 redun-

Rothmans said the factory was closed on August 15 and blamed falling sales brought about by excessive UK tax, a depressed overseas market and the influx of imported cigarettes, mainly from West

The decision was taken after a re-

produce 32bn cigarettes a year, but sales had also been a factor. it is believed that its production into Rothmans has been the b 1987 indicated sales would be about

UK cigarette production fell 4.5 per cent last year as cheap imported brands continued to make oads into the market, Imperial Tobacco has said. But consumption fell by only 1.5 per cent despite a duty increase equiva-lent to more than twice the rate of inflation and the growing pressure from anti-amoking campaigners. Imperial, which closed its Newcastle-upon-Tyne works in December with the loss of 600 jobs, said the drop in out-

tervened with the parent company, Rothmans International Tobacco, but was unable to reverse the deci-

put was steadying now that UK makers had responded.

view of UK cigarette production capacity following the 11p increase on cigarettes in the budget.

Rothmans has the capacity to market, a decrease in overseas control view of UK cigarette production capacity following the 11p increase on group – said that while the Ulster Sir Charles Carter, chairman of the Northern Ireland Economic market, a decrease in overseas control vesterable control vesterable control vesterable capacity.

employer in Carrickfergus since 12bn below that figure.

1981 when Courtaulds and ICI economic decline in Ulster could Mr Tom King, the Northern Ireland Secretary and his officials inLocal politicians and union leaders province ungovernable.

NOTICE OF REDEMPTION

Cillette Overseas Finance Corporation N.V.

8% Guaranteed Convertible Subordinated Debentures Due 2003

Convertible into Common Stock of

The Gillette Company

Redemption Date: June 2, 1986

Exchange Rate Expires: June 2, 1986

NOTICE IS HEREBY GIVEN to holders of the 8% Guaranteed Convertible Subordinated Debentures Due 2003 (the "Debentures") of Gillette Overseas Finance Corporation N.V. (the "Company") convertible into common stock of The Gillette Company that, pursuant to the provisions of the indenture dated as of December 1, 1982 (the "Indenture") among the Company, The Gillette Company, as Guarantor, and Morgan Guaranty Trust Company of New York, as Trustee, the Company has elected to redeem all the outstanding Debentures on June 2, 1986 (the "Redemption Date") at a redemption price of 103% of the principal amount thereof, together with accrued interest from March 1, 1986 to the Redemption Date in the amount of \$101.11 for each \$5,000 principal amount. Payment of the redemption price and accrued interest, which will aggregate \$5,251.11 for each \$5,000 principal amount of Debentures, will be made on or after the Redemption Date upon presentation and surrender of the Debentures together with all Coupons thereto appertaining maturing after the Redemption Date at the offices of any one of the Paying and Conversion Agents set forth below.

The Debentures will no longer be outstanding after the date fixed for redemption. The redemption price will become due and payable upon each Debenture on the Redemption Date and interest thereon shall cease to accrue on and after the Redemption Date.

Alternative to Redemption

Holders of Debentures have the right, on or before the close of business on June 2, 1986, to convert the Debentures into fully paid and nonassessable shares of common stock of The

The Debentures may be converted at the principal amount or any portion thereof which is \$5,000 or a multiple thereof into Common Stock at the rate of 185.19 shares for each \$5,000 principal amount of Debentures. In order to exercise the conversion right, the holder of any Debenture(s) to be converted shall surrender such Debenture(s), together with all unmatured

Debenture(s) to be converted shall surrender such Debenture(s), together with all unmatured Coupons and any Coupons in default appertaining thereto, to any one of the Paying and Conversion Agents, accompanied by the CONVERSION NOTICE on the Debenture, or a similar notice, which has been completed and signed. A holder who surrenders a Debenture for conversion will receive a certificate or certificates for the full number of whole shares of Common Stock to which such holder is entitled. No fractional shares of Common Stock will be issued upon conversion of any Debenture, but in lieu thereof the Company will pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the closing price per share of the Common Stock on the New York Stock Exchange at the close of business of the day of conversion. Debentures, or portions thereof, shall be deemed to have been converted immediately prior to the close of business on the date on which such CONVERSION NOTICE or similar notice shall have been received by the Paying and Conversion Agents and such Debenture(s), or portions thereof, shall have been surrendered as aforesaid, and at such time the rights of the holder tendering such Debenture(s) as holder shall cease and the person or persons entitled to receive the Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time.

In accordance with the terms of the Indenture, no payment or adjustment shall be made upon

In accordance with the terms of the Indenture, no payment or adjustment shall be made upon any conversion on account of any interest accrued on the Debenture surrendered or on account of any dividends on the Common Stock issued upon conversion.

of any dividends on the Common Stock issued upon conversion.

The closing price of the Common Stock on April 25, 1986, as reported in the Composite Tape for New York Stock Exchange Listed Stocks, was \$90.375 per share (the "Closing Price"). Taking into account the stock split effective May 2, 1986 in the form of a 100% Common Stock dividend on all outstanding shares of Common Stock of The Gillette Company issued to the stockholders of record on May 1, 1986, as approved by the Board of Directors and the Stockholders of The Gillette Company, the equivalent stock price on April 25, 1986 would have been \$45.1875, namely one-half the Closing Price. At the Closing Price, the holder of \$5,000 principal amount of Debentures would receive upon conversion shares of Common Stock and cash for the fractional interest having an aggregate value of \$8,368.27. However, such value is subject to change depending on changes in the market value of the Common Stock.

The Debentures are presently Convertible into Common Stock at a rate of \$27.00 per characters.

The Debentures are presently Convertible into Common Stock at a rate of \$27.00 per share.

Delivery of Debentures to any one of the Paying and Conversion Agents after the close of business on June 2, 1986, regardless of instructions in any notice, will result in payment of the redemption price of 103% of the principal amount of the Debentures together with accrued interest to June 2, 1986.

Surrender of Debentures for payment at the office of any Paying and Conversion Agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York, Amy payment made at the office of the Paying and Conversion Agent within the United States or by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the Paying and Conversion Agent with an executed IRS form W-8, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

PAYING AND CONVERSION AGENTS

As to Bearer and Registered Debeutures

Morgan Guaranty Trust Company of New York

As to Payment of Registered Debentures Only Conversion of Bearer and Registered Debentur

Morgan Guaranty Trust Company of New York
30 West Broadway

New York, New York 10015 United States

GILLETTE OVERSEAS FINANCE CORPORATION N.V.

Morgan Guaranty Trust Company

of New York P.O. Box 161 Morgan House, One Angel Court London EC2R 7AE

England

and Conversion Agents set forth below.

Gillette Company (the "Common Stock")

Morgan Guaranty Trust Company of New York

Banque Internationale a Luxembourg S.A.

Dated: May 2, 1986

venues des Arts 35 B-1040 Brussels

NOTICE IS HEREBY GIVEN to holders of the 8% Guaranteed Convertible Subordinated

said they were appalled at the eco-

Mr Rainey said a large proportion of sales in areas such as the Middle East were to immigrant workers and many of those had returned home since the fall in oil prices had reduced the work avail-

In addition, many countries were building trade barriers against imports, leading to an increase in local manufacture at the expense of UK

In January 1984 the factory escaped closure when Rothmans shut its plant at Basildon, with the loss of 1,200 jobs, as part of a similar ra-

Dr Rhodes Boyson, Minister of State for Industry in Northern Ireassistance.
Mr Tom Rainey, operations manager of Rothmans at Carrickfergus and chairman of the Northern Ireland council of the Confederation.

diate and very substantial action" to Rothmans has been the largest support the region's economy. He warned the Government that the when Courtaulds and ICI economic decline in Ulster could

SIB plans to revise draft business rules

BY BARRY RILEY, FINANCIAL EDITOR, IN LONDON

Board (SIB), the new top regulatory body for the investment markets, plans to revise its draft conduct of business rules after reactions to its original proposals published in Feb-

The requirement for investment firms to obtain annual client agree-ment letters is likely to be eased, and tough restrictions on so-called "soft dollars," or the payment by in-vestment managers for goods and services through diversion of broking commissions, may be relaxed.

SIB is also expected to create a new category of sophisticated pri-vate investor, distinct from the previously proposed classes of private ers and professional or business investors The period for public comment on

responses before issuing a further draft, probably in June. Stockbrokers, in particular, have complained about the requirement to obtain annual signatures on customer agreement letters, and it is likely that agreements with active clients - transacting several bargains each year - will remain valid

vestment institutions.

For example, Mr Peter Stor-month-Darling, head of Mercury Asset Management, the fund management arm of the Warburg group, told a City of London conference yesterday that if interpreted literal-ly the best execution rule would force fund managers to deal only with

market makers directly and not with agency brokers providing re-"It should not be the function of the regulators to precipitate that process," he said.

Now it appears that SIB will relax the rules, but will still require disclosure to clients when commis sions have been used to pay for ser-

The need for a new class of sothe draft rules elapsed at the end of April and SIB is now assessing the phisticated private investor has arisen because of fears that the existing private client rules would be too restrictive for wealthy, experienced private investors.

There is a risk that clients might see the rules as obstructive and might collaborate with securities firms in breaking them. But SIB's rule drafters are still concerned in case rich but naive investors might tion and soft dollar payment for services have been criticised as representing, in particular a theretaes

European financial service market urged

BY ERIC SHORT

EUROPE must create a common market in financial services if it is freedom of services for insurance to compete effectively with North within the EEC. Negotiations were America, warned Mr Joe Palmer, group chief executive of Legal and international insurance sales possi-General, one of Europe's largest in-ble under the Treaty of Rome provi-

surance and pensions groups.

He told delegates yesterday at the International Management and

The Community was still to sort Training Executives' conference in Lugano, that Europe had dragged its feet for too long in creating an insurance company in one country international financial services in to sell its services in another with-

He pointed out that in theory there was already freedom of finan-there was already freedom of finan-

across national borders.

He referred to the example of started as long ago as 1975 to make sions that restrictions on sales

The Community was still to sort out the rules that would enable an out being established in that coun-

for the airline, most of which are owned by his two sons, Declan Rythere was already freedom of financial services within the EEC, but it did not exist in practice.

Mr Palmer claimed that a financial services company wanting to expand within Europe still had to satisfy the bureaucratic arrangements of those countries concerned. Instead, he claimed that bureaucratic arrangements of the claimed that bureaucratic arrangements of the claimed that the concerned by the claimed that the concerned by the claimed that the concerned by the claimed that a financial services company wanting to expand within Europe still had to satisfy the bureaucratic arrangements of those countries concerned by the claimed that a financial services company wanting to expand within Europe still had to satisfy the bureaucratic arrangements of those countries concerned by the claimed that a financial services company wanting to expand within Europe still had to satisfy the bureaucratic arrangements of those countries concerned by the claimed that a financial services company wanting to expand within Europe still had to satisfy the bureaucratic arrangements of those countries concerned by the claimed that the an and Cathal Ryan. The airline plans to offer 20 per post of the eq-uity to its 100 staff aridwill seek a full flotation on the Delkin and You-don stock exchanges in the near in-

not exploiting the potential market. racies did everything to impede He claimed that if Europe was to be progress. A company needed to a power to be reckoned with in recommand a sufficiently large slice tail financial services then there of its national market that would it to com

Austin Rover offers on cars 'could start battle'

its dealers 28 per cent discounts tors, and the bidding for Land and three months credit on Metro, Rover. Montego and Maestro models reg- For much of March, Austin istered as demonstrators or courte- Rover's market share was running sy cars during April.

round of discounting and incentives up the offer - Austin Rover's mar-which have been at a relatively low ket share had been at a similarly

The offer provides margins of 10-11 per cent above normal levels and

stantial interest charges. Austin Rover's action is under-stood to have been initiated as a re-suit of its sharp fall-off in market "panic" measure. suit of its sharp fall-off in market

AUSTIN ROVER has been offering talks with Ford and General Mo-

sy cars during April.

Rivals within the industry claimed the move by Austin Rover Until the past few days - during could precipitate a major new which dealers have moved to take level since the start of the year.

This could set the whole market next week are likely to show it with ablaze," one executive said last a share for the full month of 15-17

opment already revealed in outline, the complex will include two-covered dry docks, workshops, of-A spokesman said last night that 11 per cent above normal levels and the company had decided to make involves Austin Rover bearing substantial interest charges. fices and facilities for handling mu-I ICI has won the final round of a four-year battle with the Govern-ment over what it saw as unfair tax

share during the past several months, for which Mr Ray Horrocks, BL Cars' chief executive, backed away from the heavy incenblamed the uncertainty created around BL by the aborted takeover car market last year.

CONSUMERS' GROUP CALLS FOR EVACUATION TEST REVIEW

Aircraft safety criticised

out that smoke may make people unconscious in much less than 90

craft accidents last year, the maga-zine says, but flying is still safer

RYANAIR, Europe's newest airline was launched in Dublin yesterday and is set to become the first inde

pendent Irish airline to offer sched-

uled services between London and Dublin, writes Lynton McLain.

Mr Eugene O'Neill, managing di-rector, described the recent Euro-pean Court of Justice ruling on air-

line competition as "the most significant even in European aviation in

compared with £170 unrestricted re-turn fare and £85 restricted single

fare offered by British Airways and

Heathrow. Ryanair's single fare is

Ryanair is a privately owned air-line and its chairman is Mr Tony

Ryan, also chairman of Guinness

Aviation of Ireland. He has none of

the 22m authorised shares issued

Men and Matters, Page 20

☐ THAMES TELEVISION, the larg-

sion advertising campaign to sell it-self to the public.

A corporate image building cam-

paign featuring its programme range and foreign sales record will

be the first round in the battle to

broaden its share structure through

a flotation of just under half its

☐ LABOUR PARTY stands to make

big gains in London in next week's local elections according to an opin-ion poll by the Harris Research Centre which puts Labour support

at 45 per cent, of those certain to vote, ahead of the Tories at 35 per

cent and the SDP-Liberal Alliance

□ ROYAL NAVY has released de-

tails of a £220m refitting base to be

built at Rosyth on the Firth of Forth in Scotland for its new fleet of Tri-

Part of an infrastructural devel-

es for its oil company ri

vals. The House of Lords has re-fused leave to the Government to challenge a Court of Appeal ruling in ICI's favour last February.

dent nuclear submarines.

at 19 per cent.

est independent television company, will this month launch a televi-

THE CONSUMERS' Association has called for a fundamental review of the 90-second evacuation test which all new aircraft have to pass before they are granted a type approval certificate.

A report in the association's publication Holiday Which? claims the rules governing the conduct of the intesting section on safety standards, otherwise air loss and is now worth less than tests are unsatisfactory and points out that smoke may make people

flags of convenience from countries
The Civil Aviation Antiscrity said with lax rules on pilot hours, trainyesterday that it believed the Coning and aircraft maintenance. sumers Association had misunder-A record 2,129 people died in air Emergency smoke hoods to filter stood the 90-second rule. It is not

out toric fumes.

a rule applied to aircraft in any sort of accident," it said, claiming that new materials which do not give off aircraft could be everywed in less toxic smoke when they burn, than 90 seconds in soule accidents.

N. Sea suppliers call **New Irish** airline for labour costs cut takes off

BY DAVID THOMAS, LABOUR STAFF

See have asked their workforces for cies of up to a third among the more cuts in labour costs of between 25 than 1,000 workers affected by and 30 per cent because of the de-them. pressed outlook for North Sea de- The NUS is due to discuss the

the cit industry have announced job • Crew members of Townsend Tho-

Moreover, the British seafaring unions have recently been faced with demands from shipping com-panies outside the North Sea sector to cut labour costs drastically in or-

50 years"
Ryanair was planned before Wednesday's historic ruling from the Court of Justice which states that airlines are subject to the EEC's rules of competition and should not operate price fixing cartels.

The airline is to offer unrestrict. der to improve competitiveness.

The General Council of British Shipping is negotiating with the unions on behalf of the six supply ed services four times a day be-tween Dublin and Luton airport companies which have demanded these savings from July 1 - Sea-forth Maritime, Sterling Shipping, The return fare on the route starting on May 23 will be £34.25 Wimpey Marine, Maersk, Oil and

> The employers have suggested two main ways in which these sav-ings can be obtained to the unions concerned, the officers' union, Nu-

First, workers on the supply The dispute also had some impacts should move from working on Townsend's Dover services.

SUPPLY-COMPANIES in the North proposals could lead to redundan

velopment in the wake of the fall in proposals. In Aberdeen today and oil prices.

Numer is calling a delegate conferoil prices.

Numast is calling a delega
Other companies associated with ence on them next week.

cuts as a result of the falling oil resen's Portsmouth ferries voted to continue striking yesterday after the company had served injunc-tions on officials of the National Union of Seamen ordering them to call the strike off. The injunctions were granted be-

cause of the lack of a properly con-ducted secret ballot and because the strike was illegal secondary ac-However, the crew members on

the Free Enterprise V and the Dragon voted yesterday by 63-3 and by 51-11 to continue striking. Townsend's ferries on the Cairn-

ryan to Larne, Northern Ireland route remained disrupted, as did those from Felixstowe, the port mast, and the National Union of where the dispute over manning levels began,

The dispute also had some impact one month on and taking one OK Energy consumption was rismonth off, to working one month on ing consistently, every before the and taking two weeks off. Second, full impact of lower oil prices, actively should accept pay cuts, as yet configuration to statistics in April's ediunspecified.

Mr Jack Bronniey, Numast executive officer, said yesterday that the

Lawson in London.

> A/S JYSKE BANK US\$40,000,000

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-per US\$ 10,000 will be US\$354.58 -per US\$250,000 will be US\$8,864.58. BANQUE GENERALE DU LUXEMBOURG SOCIETE ANCNYME Agent Bank

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NOTICE IS HEREBY GIVEN pursuant to Section 688(2)(a) of the Companie Act 1985 that a Meeting of the Crediton of the above-named Company will be held at 4 Charterhouse Square. Londor ECT on 15th May 1996 at 12.00 noor for the purpose mentioned in Section 588(3) et seq of the baid Act. Dated this 23rd day of April 1985. By Order of the Soard

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NOTICE IS HEREBY GIVEN that the creditors of the above-named company, which is being voluntarily wound up, are required, on or before the 27th day of May, 1985, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), in the undersooned.

their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned.

KEITH DAVID GOODMAN, FCA, of 30 Eastbourne Terree, London W2 6LF the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such motice, or in default thereof they will be tracluded from the benefit of any distribution made before such debts are proved.

Dated this 15th day of April, 1985.

C. K. D. GOODMAN, Liquidator

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BL'S FIRST FULL-TIME CHAIRMAN TAKES OVER

easily."

Day hopes for period of stability

MR GRAHAM DAY yesterday took I think in the past I have been able for the television cameras which over as full-time chairman and to save jobs - although never as were late and then called together

"I might be the latest harbinger change affects you personally and Day said: "I'm looking forward to see how it affects the business working with ambada when the same to see how it affects the business working with ambada when the same to see how among senior BL management, Mr Day said: "I'm looking forward to see how it affects the business working with ambada when the same to see how among senior BL management, Mr Day said: "I'm looking forward to see how among senior BL management, Mr Day said: "I'm looking forward to see how among senior BL management, Mr Day said: "I'm looking forward to see how it affects you personally and Day said: "I'm looking forward to see how it affects the business working with ambada and the said of the sai see now it affects the business working with anybody who can do which presently employs you," he said. "I believe on balance everything I do will be decimal to have an effect other, but we have to have an effect other. thing I do will be designed to help tive v the business and be positive for the profe

majority of employees."

Mr Day, a Canadian lawyer who ran Cammel-Laird shipbuilding group in the 1970s and joins BL from British Shipbuilders, where he was chairman, was Mrs Thatcher's research choice to become BL's

He refutes suggestions that he is a "hatchet man." T sell reality. I don't deceive peo-ple, I don't lie and I don't bluff. And recreated his arrival several times

chief executive of BL, the state- many as one would have liked. I alowned vehicles group, and urged so think that what I have done, employees not to see his arrival as wherever possible, is to preserve the preservable jobs."

On the possibility of big changes tive working relationship. I look for sm and confidence." Mr Day said he was bringing to BL "pretty good nerves, pretty good health" and added "I don't panic

He hoped for a period of stability and calmness to remove the uncerer's personal choice to become BL's tainties recently surrounding BL first full-time chairman since Sir over the possible sale of Austin Michael Edwardes' departure in Rover to Ford and Land Rover-Ley-land to General Motors of the US. He arrived at BL's corporate headquarters in Uxbridge, West

sion. He introduced Mr Peter Thomp

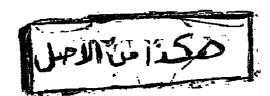
son, the former civil servant who has been on secondment to British Shipbuilders but has now joined BL as director, policy and governmen Mr Day also revealed that Mr John Pullen, director of corporate

relations at British Shipbuilders, will also be joining BL shortly. He said he intended to set up with a small team - perhaps 30 peo-ple - in central London but the rest of the BL corporate staff would re-

main at Uxbridge.

"It is very sensible to have certain things conducted from Uxbridge – it is less expensive – but the reality is that a whole range of things like government and the banks are in London. The third parties with whom one has to deal are not necessarily thronging around

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acre for fully serviced land in

Mr Philip Loveday of local agents Loveday and Loveday said that an offer had been made on behalf of a client for

an additional 40 acres of BR

land at Mannington, near the

main site, which could be developed as a separate entity.

"We believe that this devel-opment could be a catalyst for

the remainder of the land, which could include offices, high

tech retail and housing. This is a very large site, and would

have to be developed over a

Piecemeal work on roads and

services would prove to be very costly, he added, and it was

therefore desirable for co-

ordinated development to take

place. "It is a very attractive

piece of development land if tackled in the right way," he

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mittal responses from indicating that it is

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occupation of existing build-ings on the site have received

period of years," he said.

prime areas of Swindon.

US CONGLOMERATE Gulf & Western Industries is planning a US\$1bn (£645m) commercial property complex comprising 4m sq ft of offices and 500,000 4m sq ft of offices and 500,000 sq ft of retailing and transportation space on the site of Madison Square Garden, the famed arena in midtown Manhattan.

G & W announced a scheme this week to pull down "the Garden" as part of a \$1.2bn redevelopment project and rebuild it above a railway storage yard two blocks west of the present site.

The project, regarded as ambitious by some observers given the very complicated land use and real estate regulations in New York City, will also involve extensive renovation to the transportation amenities in the Pennsylvania Station below the existing Madison Square

The rationale behind the project is to build an ultra-modern arena which will be more efficient and financially more profitable than the current arena which, says G & W, is "unworkable."

The current Madison Square Garden site covers roughly five acres. Rezoning will be sought to build the 4m sq ft of offices in two or three towers, on the 1m sq ft base formed by the retailing and transportation

lishing and consumer products group, says that it bought the air rights above the Pennsylvania Station roughly \$30m. Station in 1978 for

The company plans to raise the capital for the redevelop-ment project from outside investors. The project hinges on city co-operation in getting a rall link to the new arena and, of course, on the aforemen-tioned investor interest.

What the project may be worth is anyone's guess. Suffice it to say that completion is not planned before 1994 and that some pundits have been fore-casting a medium term rise in office rents from \$40 for new space downtown (and up to \$55 in some mid-town cases) to between \$70 and \$75 a foot. Larry Wyman, executive vice president of Howard Ronson's HRO International, is develop-ing, and marketing a 1.2m sq ft building, Financial Square, on the last full block site in lower Manhattan. He said this week that he had leased 558,000

sq ft to Thomson McKinnon. "There is a very real short-age of prime new space in New York's financial district." he says, "but that has left old space at \$20 to 30 a foot having difficulty in attracting tenants

Great **Portland** deal

GREAT Portland Estates, seen by some as another potential takeover victim after Stock Con-version's fall to P & O this week, is quietly getting on with its business—and making life just a little more difficult for any predator in the process.

This week it took six office investment properties from Abbey Life for £10.2m, £5m in cash and the balance in new ordinary shares representing nearly 2 per cent of the enlarged Great Portland equity. Last year it added 5 per cent to the equity in its acquisition of Limco.

The shares have been trading this week at a 10 per cent dis-count to stated net assets of 202p a share, although more up to date estimates range up to 215p. This hardly puts Great Portland in the helpless victim category and Richard Peskin, chairman as well as managing director since February this year, concurs.

"I don't feel under siege," he said yesterday. "We have been doing this sort of deal for years. Naturally, we are de-lighted to welcome Abbey Life as a substantial shareholder, and I anticipate that this deal will herald an even closer relationship with them over the coming years."

Swindon prospect

ONE OF the best commercial and industrial development sites to emerge in the south of the country lately is the 150-acre former railway works site in fast-expanding Swindon, but it is a plum that may not be easy to pick.

that BREL will be tempted to tively low price, provided the right assurances are given on planned.

The BREL book value of the land is understood to be around £30,000 an acre, compared with land is understood to be around £30,000 an acre, compared with a value of about £150,000 an

Since the recent closure of the railway works, a number of approaches have been made to British Rail Engineering regarding redevelopment, but so far there has been little response to these.

BREL faces a considerable number of problems relating to the key site, which opens up a large central area of the town for development, perhaps even including a high-tech project such as Sun Alliance's trend-setting Kembrey Park in

An undertaking has been given by BREL to create jobs on the site, part of its £1,25m scheme to help workers, and this will have to be taken into account in any negotiation with potential developers.

In addition, there are a num-ber of listed buildings on the site, which are being promoted by local people as ideal for a new railway museum, which could cost up to £10m to complete. Finally, ground conditions on

much of the site are poor, due to railway use over many years, and the cost of infrastructure work will be high.

looking for a comprehensive redevelopment deal. Nevertheless, developers seem undeterred, perhaps believing

Morgan Grenfell extends

ADHERENTS to the theory that the City of London's new mega-corporations will all need mega buildings to live in may like to look at the occupational plans of Morgan Grenfell—the city merchant bankers who are

city merchant bankers who are also the proud proprietors of agents Michael Laurie;

Planning permission has been granted for, and Morgan Grengfell will occupy, a £10½m office development at Throgmorton Avenue in the City designed by the Rolfe Judd Group Practice for MEPC. Construction work is due to commence later this year due to commence later this year for completion in Septembe

The 87,000 sq ft development (65,000 sq ft net) is located at 11, 13, 17 and 19 Throgmorton Avenue and 21 Austin Friars in the heart of the old City, and will be occupied by Morgan Grenfell as an extension to its adjacent headquarters.

The facade to 21 Austin Friars

will be retained. Otherwise the will be retained. Unerwise the whole development will be a new design, but one in keeping with the Bank of England conservation area, say Rose Judd. Although this is one development it will look from the outside like a number of buildings, six or even storye bigh with

developments with a small

six or seven storeys high with basements. No 17 is to be linked to other parts of the

Speyhawk claims poll success

SPEYHAWK, battling with Greycost over the retailing future of Wimbledon's town centre, claimed this week that local opinion was overwhelm-ingly in favour of its 350,000 sq fi scheme on the town hall site. It says that a MORI pell

was conducted by interviews of 634 Wimbledon residents in two zones around the town centre, 0-5 minutes, driving centre, 0-5 minutes driving time representing 30,000 residents and 6-10 minutes representing 100,000 residents. Speyhawk gays that 71 percent of interviewees were in favour of its scheme, and only 17 per cent were ngainst. Both Greycoat and the Wimbledon Tentre Courter Town Centre Co-ordinating Group has distributed broad sheets throughout the borough, it says inviting resi dents to write to the Sec-retary of State for the En-

in the Speyhawk planning applications:
The direction of the En-vironment Secretary to the London Borough of Merion to determine the application

 Kenneth Ryden's Scottish Industrial Scottish Industrial and Commercial property review; prepared in conjunction with professor Donald MacKay and Mis. PEIDA binn of Scottish economy we be less buoyant than the rest of the UK in the innued site inture, but more encounting in the longer form as a result of (a) lower oil price and (b) the pick up in monell related activity.

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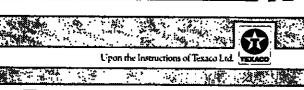
ri from The Wesley Street Shemeld Road shopping it it is adjacent to the town's prime retailing pitch in Chespside and Norwich Unita's Morropolitan Centre, which is shortly to be retainished. Scottish Widovs advised by Jones Lang Wootton and Chapman Petric has hought the freehold of DV Fencinreh Street in the City of Landon for \$4.65%, Schering an Initial yield of hist under 61 per cent.

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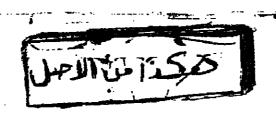
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THE MANAGEMENT PAGE



EDITED BY CHRISTOF. R LORENZ

GAZING OUT of his office window, across hectares of muddy cabbage patches, towards Smitgart and the nearby Black Forest, Joachim Lungershausen, managing director of the Robert Bosch group's power tool division, muses on the future of

the industrial landscape. He has monitored Japan's encroachments in so many sectors that he can almost imagine the day when Far Eastern interlopers may steal away the local cuckeo clock business. But he gives the impression that he would not mind if someone removed the surrounding sauerkraut industry: "The smell in autumn is awful."

When the Japanese made their first ventures into the European power tools market a few years ago, he recalls: "They made us think, We decided: no, this is not going to happen to

Although it is a relatively small part of the Bosch auto-motive and communications

Bosch products built around an electric motor, such as windscreen wipers and starters. However, the logic of the manufacturing fit turned out not to be matched by the efficiency of the management of the division. The initial drive to the secure the company's position oil shock of the 1970s, and showed that the defences needed strengthening. In some tinued as Bosch sought places they did not exist.

For example, the company, which had 50 years' experience and a high reputation in the industrial power tool business, had totally ignored the strong British market for do-it-yourself equipment. Only in 1979, when Black and Decker of the US was enjoying a virtual monopoly and Makita and Hitachi from Japan were showing an interest, did Bosch begin to pay proper

We are a basically conservative company, but as we gain experience we are getting more adventurous," Lungershausen

The company has also had to learn how to apply the experience. He refers repeatedly to the case of the "Flemish prospectus" as a testament to Bosch's stodgy ways. The company had for years jibbed at printing its Belgian catalogues in Flemish as well as French, refusing to acknowledge the two clearly defined population groups which made separate markets

We felt comfortable as we were, arrogant if you like. But

A 30 1 3

How Bosch strengthened its defences

then the Japanese printed a Flemish prospectus and it didn't take us a week to do the same," admits Lungershausen.

There was a similar occur-rence in Britain in the late 1970s, Head office, against the advice of local management. insisted on vigorously pro-moting a 1.5hp drill which had been a resounding success in West Germany. Too unwieldy for the average UK handyman, and too powerful for the rela-tively fragile British home, it failed to sell. "Consumer marketing was not one of our traditional strengths," Lungershausen admits. Peter Herz, UK managing director, chimes m with a touch of irony: "The UK

has been a great test market." Makita and Hitachi had come into Europe with large volumes technology giant—turnover was of top quality products at compared with the group total of DM 18bn (£5.5bn)—the power tool arm is a core West German makers, (About husiness, Lungerhausen stresses. 60 per cent of all European
It fits logically with other power tool manufacturing power tool manufacturing capacity is clustered around Stuttgart.)

The newcomers added extra pressure in a market already over-loaded with surplus capacity and strained by the price-cutting, volume-building war which had followed the first increased market share.

Bosch's management accepted early on that the Japanese would not go away. It decided that while it would not make things easy for them, it would probably have to allow them a position in the market. Giving them something to chew on helped defuse a potentially chaotic situation. "There can be wild times when newcomers

BOSCH is still puzzling over

the mysterious happenings

last year which produced a

dip in total power tool sales

in the key British and West

German markets. Most other

European Community countries produced handsome

was nil growth in the EEC.

World market expansion,

forecast at 9 per cent, was

Joachin Langershausen, the Bosch power tool division

managing director, who had been expecting a 5 per cent increase in West Germany,

Suggests that the main cause

was a hiatus in the flow of

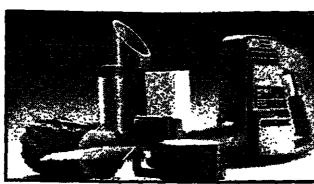
only 6 per cent.

es, but the net result

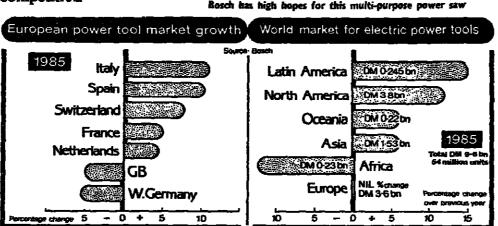
Christopher Parkes reports on the West German power tool

maker's response to

US and Japanese competition



Bosch has high hopes for this multi-purpose power saw



arrive and the old ones react,"

Husbanding its energy and resources, Bosch has since attempted to reinforce its position by blending its newly-acquired marketing skills with the qualities traditionally asset. the qualities traditionally asso-ciated with the group.

advertising expenditure by the main manufacturers.

This apparent dependence on innovation and advertising

shows that important markets are maturing and rapidly approaching saturation. How-

ever. Laugershausen is confi-

dent that things will improve

this year. Bosch has high hopes for a multi-purpose

hand-held power saw and the trade in cordless tools is

developing rapidly.

Black & Decker, the world

market leader, is also emerg-

ing from an extended ration-

duct and price are equal then says Lungershausen. Japan the emotional elements—the now has about 5 or 6 per cent 'software'—like quality, brand of European business. come into play.

match the Japanese on price that the division came up against a close relation of the Flemish prospectus. Lungers-hausen describes it as the "We were all cooking with "can't be done syndrome." the same ingredients." Lungers-hausen observes. "When pro-

Markets nearing saturation

alisation programme. "They will be back," Lungershausen

predicts, "They will adver-tise again when they are re-positioned and the whole market will benefit. Margins

will return and it will be a

sound business again. We need money to innovate." But if Bosch is puzzled by

last year's unexpected slow-down, Lungershausen is con-

founded by the extraordinary

resilience of the group of small companies which are still managing to make a re-

spectable living in the mar-ket.

Mercedes rooter car. Everyone wanted them but most thought they were too expensive.

Bosch could do little about

the power of the D-Mark which It was during the struggle to tended to govern pricing policy, and was obliged to begin a minute examination of its products. "We took them apart down to the smallest washer and asked: 'does it have to cost 10 pfennigs?' It was a grinding process." he says grinding process," he says.

The concept of cost engineer-

incursions of the Japanese has produced a steady growth in the company's position in all Euro-pean countries. Apart from Hilti of Switzerland, it is the only importer with a significant presence in Japan, claiming a 4 to 5 per cent share of the market. But it still faces many challenges, and Lungershausen

Despite estimated manufac-

turing over-capacity of 10 per

cent worldwide, there are still some 30 or 40 manufac-

turers in Europe—mostly in West Germany—which are

But many of the persistent

stayers are good old brands

trusted by craftsmen who provide them with a valued

core market.
"They also take advantage

of other bigger manufacturers

building a market. They may

be losing market share but

doubling their

traditions and conservatism. "Metal working is in our distraction apart, Bosch expects long-term growth in Europe to stabilise at around 3 per cent to 4 per cent a year. Company research shows home ownership is increasing steadily and the housing stock is ageing. The restoration of economic growth will increase dispos-

able income and boost house

is the first to recognise them.

Despite its advances, it is still

to some extent hampered by its

accept, Practising engineers, for

example, tended at the start to

state " it can't be done " and to

ask management which compo-

Management insisted. Helped

by the campaign the price of

boasts. It is now the division's

main line, he says, and sets a

the main board director respon-

sible for motor-driven equip-

The company's reaction to the

ment,

nents they wanted taken out.

Above all. Lungershausen has an endearing faith in the durability of existing tech-nology. "Nothing can replace the electric toot," he claims. "You could drill a hole with a laser . . . but you would have to evacuate Stuttgart blood," says Lungershausen.
"We are well established in woodworking for the DIY market, but not among profes-

sionals, not even in Germany."
The company could also find itself in a quandary over new trends in marketing which are blurring the distinction between industrial and household tools. Japanese professional brands

and even Black & Decker industrial tools are beginning to appear in multiple retail chains. the company's 2 kg hammer has appealing to the more skilled bandymen and the growing ranks of moonlighters exploitbeen brought down from DM 800 to DM 300 with no loss of quality. Annual sales have increased 20-fold in the past ing the black economy. Bosch is resisting. It has no wish to disturb its distinctive relationfew years, Lungershausen ships with the different sectors of the distributive trade.

It is fighting what could be a price and quality standard for rearguard action, sending teams the rest of the world to match. out to buy back professional Cost engineering continues, tools whenever they find their and will remain an integral part

way into retail outlets,
But corporate conservatism
could prove to be a positive of company policy, even though it becomes more difficult all the time. The recent revaluation of asset when Bosch finally conthe D-Mark within the European fronts its biggest challenge to date—the US mass market. At Monetary System, for example, has set the company a fresh present it manufactures a small range of specialist professional tools in North Carolina, and One day a week 20 people gather in the research departclaims about 5 per cent of the overall trade. "I think we will stick with this for a while," says ment—"from directors to the bean counters"—for brain-storming sessions. The impor-tance of the task is underlined Lungershausen, cautiously.
"The US market is big, seducby the weekly appearance of

tive, difficult and dangerous." The company needs to be sure of its ground before it makes any further move. Bosch is known mainly for spark plugs, its anti-skid devices and for making the magneto in Lind-berg's aircraft, Spirit of St

It lacks the experience, dealers and distributors for tools, and it has learnt from the fortune it spent on establishing the brand in the relatively small UK market about the costs of breaking new ground. Bosch also needs the tools to suit American needs. Its speciality in two-speed equipment designed for brick and concrete homes in Europe is of little use in a society which tends to live in timber-framed houses and

prefers single-speed drills. It will also need to draw on its newly-discovered powers of marketing aggression. The Japanese are already strongly placed in the US. They account for two-thirds of the imports which make up 25 per cent of the total market, and last year Bosch lost its position as the only overseas supplier manufac-turing in the US when the

aggressive Makita opened a factory in Georgia. Everything has to be right

Busine courses

The pay and gra staff, Brunel, Junef R & D Details from the: £145. Management Brunel University amme, Middlesex, UBS 3Phridge, 56461, ext 215. introducing corporate Bradford, May 29-30, Pag. Details from Di Griffi 10. versity of Bradford ... ment Centre, Post exp programme. Heaton Keighley Road Bradford Yorkshire. Tel: 0274 42295 Treasury Management, Lou June 3-4. Fee: £400. Det from Nigel Meade, Departm

of Management Scient Imperial College of Science at Technology, Exhibition Roac London SW7 2AZ. Tel: 01-586 5111 ext 7123.

How to manage executive time more effectively, London. May 30. Fee: Members of IM £105 plus VAT; non-members £120 plus VAT. Details from IM Marketing Training, Moor Hall, Cookham, Maidenhead, Berks SL6 9QH, Tel: 06285 24922 International cash management, Nice. June 3-6. Fee: Non-members BFr 78,000; Members (AMA/I) BFr 70,000. Details from Management Centre Europe, rue Caroly 15, B-1040 Brussels. Tel: 32/2/516.19.11. Telex: 21.917.

Telecommunications and the European Business Market— Planning tomorrow's trade routes, London, May 28-29, Fee £540.50. Details from Financial Times Conference Organisation. Telecommunications and the European Business Market Conference Minster House, Arthur Street, London EC4R 9AX, Tel: 01-621 1355.

Design input in Novo Industri, London, June 17. Free Lecture by Mads Ovlison, md, Novo Industri, Danish pharmaceutical company. London Business School, Sussex Place, Regent's Park, London NW1, 5.45-7.15pm (Tel 0-270 5050).

Current issues contracts, London, June 24. Fee: £207. Details from Crown Eagle Communications, Vernon House, Sicilian Avenue, London WCLA 2OT. Tel 01-242 4111. Interest rate: caps, floors and

collars, London, June 19-20.
Fee: £517.50. Details from
Institute for International
Research, 44 Conduit Street, London W1R 9FB. Tel 01-434 1017 Fax (01-437 2336).

Financial seminar for senior managers, London, June 2-6. Fee: £1,200. Details from Brenda Pomfret. Course before the company makes a Registrar, Financial Course move. As Lungershausen says: for Senior Managers, London "You can't go in and then pull Business School Sussex Place, out again—not if your name is London NW1 4SA. Tel 01-262 5050, Telex 274 61 LBS KOX G.



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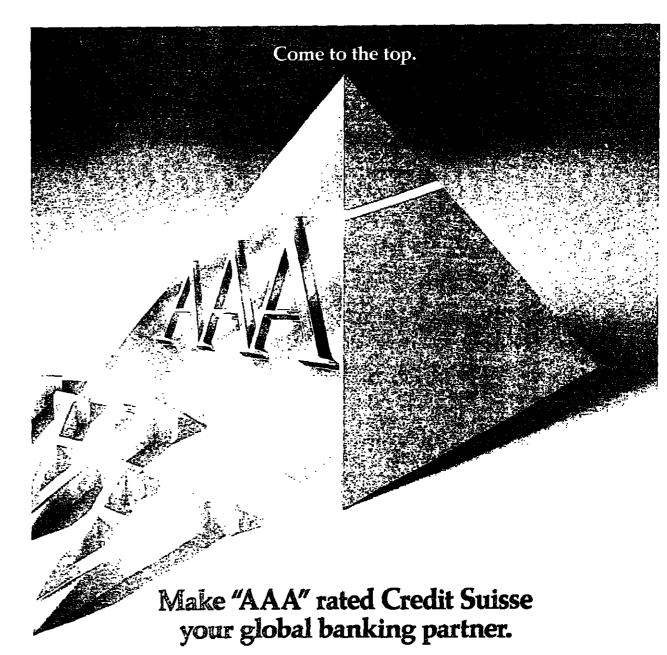


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The diamond market has turned the corner

the strength and resilience of the centralised selling system is underlined.



1985 marked the turning point in the market for rough diamonds and underlined the strength and resilience of De Beers' centralised selling system. This was particularly gratifying in view of the problems experienced in other commodity stabilisation schemes. World retail sales of diamond jewellery attained yet another record, exceeding the 1984 figure by some three per cent. Geographically, sales were more evenly spread, the increase in the United States being less spectacular, and in the other industrialised countries more pronounced, than in 1984.

Cutting centre stocks down

The CSO continued its policy of only offering for sale those goods for which there was immediate demand. Stocks in the cutting centres have been brought down at last to reasonable operating levels, and manufacturers have been able to trade profitably in meeting the demand generated by the record retail jewellery sales. It follows that after this protracted and difficult period of destocking, the pipeline between the CSO and the ultimate consumer has contracted to the point where CSO sales should once again be more directly related to retail demand. Looking further ahead, the prospect is that the recent sharp fall in the oil price should bring about lower inflation and higher growth in the industrialised countries, and hence higher sales of diamond jewellery.

Sales trend continues

CSO sales in the second half of the year were the highest since 1980. These trends have continued into the current year with demand for rough gem continuing at a high level during the first three sights and on oth April the COU announced an overall increase of 7.5 per cent in the price of rough gem diamonds with effect from the fourth sight in May.

Net current assets improved by R204 million, while long and medium-term borrowings and preference shares in issue by subsidiaries together fell by R12 million, giving an overall improvement in funding of R216 million. Had the conversion rate used in 1985 applied in 1984 as well, the improvement would have amounted to R532 million. Our borrowings are low in relation both to our overall facilities and to our total assets.

The value of investments and long-term loans outside the diamond industry increased by R2, 193 million to R5,880 million, or 1.634 cents per share, and yielded income of R215 million compared with R183 million the previous year.

Industrial Division

Our Industrial Division had another satisfactory year, with profits in Dollar terms being marginally ahead of the 1984 figure though total sales fell just short of it. Carat turnover in natural diamond increased, but the reduction in sales value - caused largely by the slump in exploration drilling for minerals and oil – and the lower synthetic grit sales were not quite offset by noticeably improved sales of the newer polycrystalline diamond and other hard abrasive products.

Continuing research and development have enabled us to offer a more comprehensive range of diamond and cubic boron nitride composites than any other manufacturer, and several interesting opportunities lie ahead. Research into new uses for natural diamond grit has been especially active in the light of the increased quantities that will be available now that the Argyle mine, a major producer of boart and drilling stones, is coming into full production.

Production from the De Beers mines and Debswana, in which De Beers has an equal partnership with the Government of Botswana, fell slightly by 85,000 carats to 23,251,000 carats.

The report of a commission, appointed in 1982 to inquire into alleged irregularities and misapplication of property in representative authorities and the central authority of South West Africa/Namibia, known as the Thirion Commission, was published on 7th March 1986, by the Transitional Government of National Unity in Windhoek. Among the Commissioner's findings CDM, without having given evidence or been called upon to do so, is said to have breached the provisions of its mining title, namely the Halbscheid Agreement, which requires that mining should be carried on "satisfactorily to the Administration and not with a view to exhausting the superficial and more valuable deposits to the detriment of the low grade

deposits". At no stage has there been any suggestion from the Administration that CDM was not carrying on mining satisfactorily and CDM is confident that it has not breached any of its obligations and that its mining practices have not been detrimental to the State. On the contrary, by the introduction of innovative and cost-effective techniques CDM has rendered hitherto unpayable ground payable, and thus progressively extended the life of the mine. On current projections, only about two per cent of the estimated original carat inventory of the mining area will be left behind at the end of the life of the mine. Of this, about half is in ground which is inaccessible using current mining techniques. In the meantime, prospecting continues in the hope of identifying new reserves. Naturally, within the limits of production technology, CDM has always followed a policy of responding to market conditions, so that when demand is high more diamonds are produced

and when the market is in recession, as it has been over the last five years, the rate of production is lowered. Indeed, since 1981, a number of production facilities at CDM have remained temporarily closed without affecting CDM's share of sales. These facts are hardly compatible with a policy of excessive depletion of CDM's reserves. As in the past, CDM fully intends to continue operating within its rights and obligations, in consultation with the authorities and in accordance with the law.

Unified wage structure

Industrial relations on our various operations have been satisfactory, due in part at least to the Company's long-standing adherence to a unified wage structure and continuing implementation of merit-based manning policies, supported by extensive training and development programmes for employees at all levels. The removal of statutory job reservation in the mining industry in South Africa is now a matter of great urgency, and intensive discussions between the industry, the unions and the Government are at last taking place. It is crucial that the outcome should be fair and should provide equal opportunity to all.

Committed to change

South Africa has been through a particularly difficult year. The need to abolish apartheid in all its forms and create a sociopolitical dispensation that gives fair and equal opportunity to all is now more widely recognised than ever before. Your Company has long been in the forefront of those committed to such changes and it is encouraging that the Government has announced many substantial reforms. Several have been implemented and the remainder are expected to receive legislative approval during the present session; it is hoped that further initiatives will soon follow. We shall continue to do all we can to accelerate the process of evolutionary change.

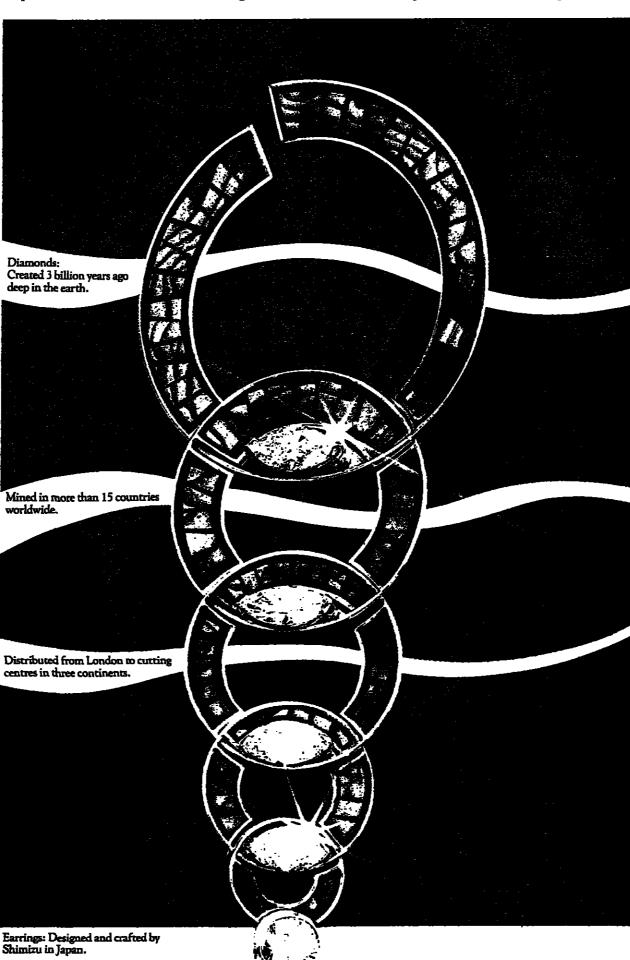
Our Deputy Chairman, Mr Nicholas Oppenheimer, has succeeded Sir Philip Oppenheimer as Chairman of the CSO. Sir Philip filled that role with great distinction for 30 years and De Beers and, indeed, the whole diamond industry is deeply indebted to him. Fortunately, we shall still benefit from Sir Philip's experience and wisdom for he will continue to be a member of our board and to play a leading role in certain key aspects of the CSO's activities.

Over the past year I have been able to visit each of our main operating centres and have been impressed everywhere by the loyalty. enthusiasm and devotion of De Beers' employees. Their efforts over this decade in containing costs and yet maintaining productivity have been of great importance in helping us to come through a period that has been the most difficult in De Beers' history since the 1930s. The board and I are extremely grateful to all our people for these achievements.

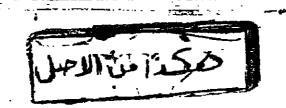
The full Chairman's Statement is contained in the Annual Report of the Company for the year ended 31st December 1985 which was posted to registered Shareholders on 1st May

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De Beers



This earring, with marquise and round shaped diamonds set in mother of pearl was one of 30 successful entries from 1428 designs submitted from 33 countries for the Diamonds-International Awards presented in Milan in March. These awards have been organised by De Beers for over 30 years to help improve the quality and standard of jewellery design.



Exhibitions

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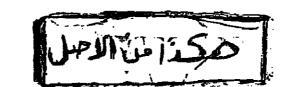
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THE ARTS



Theatre

LONDON

Land Me & Tenur (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an en-Lawsin and Jan Francis lead an en-ergetic company in mistaken iden-tity romp, while Verdi's Otello car-ries on regardless. (437 1592) Sewan Akhnson (Shaftesbury): New revue starring rubber-limbed clown

with a strong line in scatological sa-tire and rude sketches, many of them reflecting British classroom

tyrannies. (379 5399) the Spirit (Vandeville): Excellent revival of Noël Coward's smart com-edy about a novelist harassed by his second wife and haunted by his first. Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cow-

Farago, acted without undue Cow-ardian reverence by Siraor Cadell, Joenna Lumley and the alabaster beautiful Jane Asher. (636 9967) When We Are Married (Whitehall): Matchless comic playing from an all star cast in Priestley's comic war-house about silver wedding anni-versaries undermined by an incon-venient revelation. Bill Freser is a dranken Felstetting photographe dranken Falstaffan photographer and the couples are led by Timothy West and Prunella Scales. The 1930 theatre has been beautifully reno-

theatre has been beautifully renovated. (930-7765).

Calle Precini (Wyndham's): Puccini compilation show by Robin Ray that deteriorates rapidly from a good idea - writers singing hits back at the maestro customer - to a routine potted blography with trying new jyrics and uneven singing. (836-8028)

Tha Scarlet Pimpernel (Her Majesty's): Donald Sinden in resplendent plummy-woked form as Baroness Orcay's one-man resistance movement to the Franch Revolu-

ent to the French Revolu tion. Opera director Nicholas Bytner's efficient and sparkish production has smoke, tumbrils, rat stew and rolling heads. (9304025). Torch Song Trilogy (Albery): Antony
Sher plays Harvey Fierstein's fourhour triptych of the life and loves of a drag queen fighting for emotion and domestic stability. Truthful playing has the effect of cruelly exposing Fierstein's tackily uneven writing (836 3878).

NETHERLANDS

insterdam, Meervaart. Outer sink from Los Trios Ringharkus of Aus-tralls, directed by Nigel Triffit tralle, directed (Thur). (10 73 93).

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Num's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality.

(233 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Butfalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Brighton Beach Memoirs (48th St): The first installment of Meil Simon's mix of memories and jokes focuses on a Depression-era Jewish household where young Engene falls awk-

hold where young Eugene falls awk-wardly in love with his cousin.

(2211211).

A Cherus Line (Shubert): The longest running musical ever in America has not only supported Joseph Papp's Public Theater for eight Papps Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions. (239 6200).

La Cage anx Folles (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to cap-ture the feel of the sweet and hilarious original between high-kicking and gandy chorus numbers (757 2026).

Happy Days (Goodman): The Good-man company celebrates Samuel Beckett's 80th birthday with the playwright's bleak view of the world, interpreted by the Romani-an-born director, Andrei Belgrader.

Ends May 11. (443 3800).

Pump Boys and Dinettes (Apollo Cepter): Facetious look at country music and down-home country life with a good beat and some mamorable songs, especially one played on kit-chen utensils has proved to be a du-rable Chicago hit. (935 6100).

Exhibitions

PARIS

From Rembrandt to Vermeer: 60 chefs d'oeuvres on loan from the Mauritsdocuves on loan from the Maints-huis trace a panorama of 17th-century Dutch painting with Ver-meer's View of Delft with gears paintings, still lives and landscapes. Grand Palais. Ends June 30.

(43015410):
Less - The Nins Faces of Indian Art.
A hundred scaletures in stone,
bronze and terracotts and some 200 miniatures are divided into nine they empress the erolic comic path-edc, harold, terrible, furious, hate-ful, marvellous and finally the serene, thus making fudian, art intelli-gible to Europeans. Many of the sculptures have been only recently discovered, while most of the minia-tures are seen for the first time. Grand Palais (4281 5410). Closed Tue, Wed late opening. Ends June

At the Court Of The Great Moghul: A parallel exhibition of Indian minia-tures from Bibliotheque Nationale's collections, which have never been ezhibited before. Bibliotheque Na-tionale, 58 Rue de Richelleu from 12am to 6pm all days. Ends June 18. 19th century pastels: A renewed, revig-orated use of the pastel crayon technique, in complete break with its genteel 18th-century tradition, gives ase of immediacy to Delacroix studies, to country scenes by Millet and portraits by Manet. It catches the movement of Degas dancers and women at their toilet and lights up Redon's inner visions. The Louvre, Pavillon Flore (4261 5410). Ends

WEST GERMANY

Disselderf: Kunstverein Grahbeplatz
4: Josef Benys water colours from a
private collection. 250 paintings by the artist, who died in January, are shown for the first time. The e tion covers the period from 1952-86.

tion covers the period from 1932-in.
Ends May 23.
Tublingen Kunsthalle: Philosophenweg. Pablo Picasso. A retrospective
of 260 masterworks Pastels - Paintings - Aquarelles. This unique exhibition covers the period from the
early years to the later works
(1831-1973). It also displays his great
wariety of works on paper for the
first time. Ends May 25.

BRUSSELS

Minste Boyale d'Art et Histoire: Tai-wan-based painter Wong Liu-Sang. 40 paintings, of which 10 are by his ropil Chen Sian-Nan form this points's first European exhibition.
The artist will demonstrate traditional Chinese painting on June 18.

SPAIN

Madrid: Contrasts of Forms. Abstract Madrid: Contrasts of Forms. Abstract and geometrical art sponsored and recently exhibited at Moma, New York, 150 works by 20th century artists set out chronologically, offers a coherent display to 1980 with Braque, Leger, Picasso, Mondrian. Biblioteca Nacional, Paseo de Recolatos 22 (435 40 63). Ends June 30. Sended. Claude Monet (1840-1926): The greatest living French artist, as he greatest living French artist, as he revolutionised the course of modern revolutionised the course of modern painting by playing a leading part in puncture of the course of modern areas artistic movepainting by playing a leading part in the greation of a new artistic movement, impressionism. 125 paintings on ion from private collectors and seums from all over the world museums from all over the world will offer a good querview of his different artistic periods with a promiferent artistic periods with a promiferent representation of his most fameus period at his bome at Giverny.

Meac – Museo Espanol de Arte Contemporanco, Avenida Juan de Herternaranco, Avenida Juan de Herternaranco, (449 71 58), April 29 – endigues de La Juan de La Juan

YALY

Florence: Museo Nazionale del Bargel-le: He nage to Donatello: to cele-le: He nage to Donatello: to cele-le: the 6th centenary of his birth free 19 Denatellos the museum owns, the 19 Denatellos the museum owns, of which only six are of absolutely

certain attribution, have been grouped, with much documentation to give a new view of the artist. The exhibition includes his extraordinary, languid bronze David Ends May 30. Rome: Palazzo Braschi: (Piazza San

Pantzieo): Edvard Munch (1863-1944): More than 250 works by the Norwegian painter from the Munch museum in Oslo and private collections. Death and illness became a dominant theme in Munch's works: Subjects such as Death In The Sickroom are reworked in oil, charcoal and pastel - each seeming on show is his extraordinary work The Scream painted in 1863, in which the scenery becomes a vortex for the central, anguished figure for the central, anguished figure. During the 1890s, Munch moved away from realism and impressionism (there are three delightful paintings on show of Nics and St. Cloud) howards expressionism, a style which he used to express not only description, but also lyricism and reaction. Ends have 1 passion. Ends June 1.

iswellery from 1800-25: A selection from the Museum of Applied Arts' extensive Art Nouveau jewellery collection not usually on display. The museum began its collection in 1900. Ornamental combs by René Lalique, enamel and ivory pieces by Gaillard, and beautiful jewellery using glass and semi-practous stones. Gailland, and beautiful jewellery us-ing glass and semi-pracious stones by the Belgians Van de Velde and Philipp Wolfers. There are also

Arts reviews, Page 19

pendants, lockets, brooches, neck-laces, belt buckles and rings from the masters of the Wiener Werk-statte - Hoffman, Moser and Czeschka - many on public view for the first time. Applied Arts Mu-

NETHERLANDS

Amsterdam: Van Gogh Museum. 90 Whistier etchings from the Zelman collection follow the career of the collection follow the career is the brilliant eccentric from his Paris pe-riod, through the penetrating obser-vation of London's dockland, the tranquility of the Venetian set, and closing with the late, dreamlike imns of Amsterdam. Ends

1 DNDON

The Hayward Gallery: Falls The Shadow - this year's Hayward Annual for the first time extends its view of contemporary art from Britain into Europe. The Arts Council's guest selectors. Rayro Barker and Jon lectors, Barry Barker and Jon Thompson, taking a hint from T.S. Fhot's ambiguous poem of the mid 1920s, The Hollow Men, abandon the principles of avant-gardism in favour of a more open and catholic modernism. The result is an ele-gant, difficult and fascinating an-thology. Ends June 15.

NEW YORK

Museum of the City of New York: Ar-hit Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 charge-ters, were inspired by the historic ters, were inspired by the historic Theatre de Lys production in 1954 Theatre de Lys production in 1954 starring Lotte Lenya. Ends Oct 15.

Metropolitan Massaum: Two centuries of Renaissance masterpleces from Nuremberg include 270 works in painting, sculpture, tapestries and illuminated manuscripts by Alliuminated manuscri

National Gallery: The 150th anniver-sary of Winslow Homer's birth is commemorated in an exhibit of 100 watercolours of rustic scenes and rural life, which show Homer's experimentation in watercolours be-fore he attempted subjects in oils.

West Building. Ends May 11.

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting; Al-fred Brendel, piano; Mindy Kauf-mann, piccolo. Vivaldi, Mozart, Schoenberg, Strauss (Tue); Zubin Mehta conducting; Jerome Lowen-thal, piano. Druckman: Maga (world premiere), Haydn, Tchaikovsky (Thur), Lincoln Center (874 2424). Carnasie Hall: Opera Orchestra of Carnegie Hall: Opera Orchestra of New York. Eve Queler conducting; Ghena Dimitrova, sopranci Piero Cappuccilli, tenor. Ponchielli: La Gioconda (Tue) & all-Verdi programme (Thur); American Symphony. Tamas Vasary conducting.

sohn, Davies, Rachmaninov (Wed). sohn, Davies, Rachmaninov (wed).
(247 7459).
Bergeanusic (Fulton Ferry Landing):
Chamber music concert with ikHwan Bae, violin; Stephanie Brown,
piano; Julie Rosenfield, violin; Fred
Sherry, Cello; Walter Trampler, viola. Dohanyi, Dvořák (Thur). Brooklyn (524 4061).

Natalie Hinderas, piano. Mendels

WASHINGTON

lational Symphony (Concert Hall): Peter Mang conducting, Mozart, R. Strauss (Thur). Kennedy Center (254 3776).

CHICAGO

Chicago Symphony (Orchestral Hall): Michael Tilson Thomas conducting. Women of the Chicago Symphony Chorus. Ives, Bartók, Schumann (Thur). (235 8111).

Aaron Eosand (violin): Bach, Richard Strauss, Mozart, Szymanowski, Stravinsky. Gotanda Kani Hokeu Hall (Tue); Toranomon Hall (Thur).(331 4461; 237 9990). Tokyo Metropolitza Symphony Or-

chestra Jean Fournet, conductor. Teiko Mashashi, violin. Richard Strauss, Bruch, Mendelssohn, Beethoven, Tokyo Bunka Kaikan (Tue)

(822 0727). NHR Symphony Orchestra conducted by Ferdinand Leitner. Beethoven, Brahms. NHK Hall. (Wed, Thur). (485 1789).

LONDON

London Symphony Orchestra and Chorus, conducted by Leonard Bernstein in the presence of Queen Elizabeth; with Gidon Kremer, vio lip; Krystian Zimerman, piano; and Aled Jones, treble. Bernstein. Barbi-

Aled Jones, treble. Bernstein. Barbi-can Hall (Tue). (838 8891).

Royal Philharmonic Orchestra, con-ducted by Sir Charles Groves with Elisabeth Soderström, soprano.

Wagner, Strauss and Mahler. Royal Festival Hall (Tue). (828 3191).

The Fires of London, conducted by Pe-ter Maxwell Davies, Maxwell Dav-ies and Biors Hallsurell Cueen Elizies and Piers Hellawell Queen Elizabeth Hall (Tue). (928 3191).

London Philharmonic Orchestra, conducted by Klaus Tennstedt, with Performance of the Piers Postore Performance of the Piers Postore Performance P

ter Donohoe, piano. Brahms. Royal Festival Hall (Wed).

Eusemble Intercontemporaln, con-ducted by Esa Pekka Salonen, Ma-rie-Claire Jamet, harp: Debussy, Murail, Matherbe, Verese (Mon). Théatre de la Ville (4274 2277). Nikita Magaloff, piano: Chopin. (Mon). Théatre des Champs Elysées

(4723 4777). bristina Ortiz, piano. In Homage to Magda Tagliaferro: Villa-Lobos, Chopin (Tue). Théâtre des Champs

Elysées (4723 4777).
Russian Folk Music (Tue to Sat.)
TMP-Chatélét (4281 1983).
Paul Kuentz Orchestra and Choir, Maurice Andre, trumpet: Albinoni, Tartini, Bach, Vivaldi, Rossini (Tue).
Saint-Severin church (4833 8761).
Eesemble Orchéstral de Paris, conducted by Claude Bardon, Jean-Pierre Rampal, flute, Martine Geliot, harp: Mozart (Tue). Salle Pleyel (4561 0530).

NETHERLANDS

Utrecht, Vredenburg, Netherlands Chamber Orchestra, conducted by Hubert Soudant, with Nelson Freire, piano. Beethoven (Wed). Recital Hall: Eder Quartet. Haydn. Bart.ok, Brahms (Tue). (31 45 44). Amsterdam, Concertgebouw. Nether-lands Chamber Orchestra conducted by Hubert Soudant, with Nelson Freire, piano. Beethoven (Tue). Recital Hall: Lieder recital by Frans Fisilier, baritone, accompanied by Han-Louis Meyer (Tue). (71 83 45). lotterdam, Doelen. Matinee concert of Viennese music from the Groot Rotterdam Choir and the Opthoes

mandolin orchestra (Tue). (14 29 11).

SPAIN

Madrid, Fundacion Juan March. Midday concert (Mon). Recital by Jorge Drosser to accompaniement by Elisa Ibanez: Beethoven, Schubert, Schumann, Brahms and Wolf; Spanish Music of the 20th century (Wed) with soprano Paloma Perez Inigo and Miguel Zanetti, piano. Falla, Turina Romero, Carria and Cartilla. rina, Romero, Garcia and Castillo Fundacion, Castello 77. (435 42 40).

Madrid, Murray Perahia: Beethoven Berg, Schumann and Schubert (Mon): Rotterdam Philharmonics Orchestra conducted by James Conlon. Strauss, Rosenkavalier, Debus sy and Brahms (Wed). Stravinsky and Mahler (Thur). Teatro Real, Plaza Isabel 11. (248 38 75).

Murray Perahia, piano. Britten and others. Konzerthaus (Wed).
Nigel Osborne concert with the ORF choir led by Erwin Ortner. Kanzert

haus (Thur).
Vienna Symphony Orchestra, conducted by Zdenek Macal, with Hermann Baumann, horn. Mozart. R. Strauss, Mahler, Musikverein (Wed).

VIENNA

Staatsoper: Herzoe Blaubarts Bure by Bartok and Erwartung by Schoen-berg, Ariadne auf Naxos with Gruberova, Tomova-Sintov, Der Besi von der Alten Dame conducted by Walter with Johnson, Holm, Glydenfeldt, Lotte Rysanek; Simon Boccanegra conducted by Graf with Freni, Gonda, Bruson, Talvela (53 24/26 55).

Volksoper: Schwanda der Dudelsackpfeiler; Der Zarewitsch: Die Zau-berflöte; Der Bettelstudent. (53 24/26 57).

LONDON

Royal Opera, Covent Garden: A week of old faithfuls. The strongly-cast Hoffmann with Neil Shicoff in the title role alternates with a Tosca that brings the Russian soprano Na-talia Troitskaya to London for the first time, while Marilya Horne gives a song recital on May 6. (240 1068).

English National Opera Coliseum: Bu-soni and Johann Strauss make up the week. Dr Faust continues its first run of staged performances its Britain, while Die Fledermaus returns in Tom Hawkes's familar production (636 3161).

PARIS

Carolyn Carlson's most recent creation with 12 dancers and one actor. Mikie Zimmerman to René Aubry's music and Bulgarian songs at the Théatre de la Ville (4274 2277).

La Fille du Régiment alternates with Ballet School's Soirée, choreo-graphed by Claude Bessy and Vin-cenz Galeotti at the Opéra Comique

WEST GERMANY

Hamburg, Staatsoper: La Traviata has Lucia Aliberti outstanding as Violet-ta. My Fair Lady has Gabriele Ramm as Eliza Doolittle and Boy Gobert playing Henry Higgins.

Frankfurt, Opera: Orpheus in der Unterwelt features Sharon Markovich, Sona Cervena and Christoph Pre-

Wiesbaden Festival

Wieshaden and the Hesse State Opera are staging an interna-tional May festival until June 1. Eight countries are contributing opera, drama, ballet and music Opera North Leeds (Britain) opens the festivities with Aida and Tippett's The Midsummer Marriage. The Klev State Opera will present Zarenbraut and Eugen Onegin. Further highlights are the Italian Ente Lirico Arena di Verona with Zandonai's Giulietta e Romeo and Gluck's Orfeo ed Euridice. Hamburg ballet ap-pears with John Neumeir's Kampears with soan Neumeir's Kam-ellendame. Wiesbaden Opera will contribute the Ring Cycle and Die Schweigsame Frau. (Hessisches Staatstheater Wies-

haden'i

in Leeuwarden, De Harmonie (13 92 25), Thur in Groningen, Schouwburg (13 10 44).

Stutigart, Württembergisches Staats-theater: Jenufa is conducted by An-tal Dorati. Martha, Loriot's first op-

era production, was received with acclaim. Fidelio stars Jeannine Alt-

meyer and Toni Krämer (20321).

NETHERLANDS

Arnhem, Schouwburg. Duets for ballet and music danced by Alexandra Ra-dius and Han Ebbelaar, with Chris-nan Bor, violin; and Frederic Mein-

The Nederlands Dans Theater with

Jerome Robbins' Afternoon of a faun (Débussy), and Jiri Kylian's L'Enfant et les sortilèges (Ravel)

and Overgrown path (Janacek). Tue in Den Bosch, Casino (12 51 25), Wed

ders, piano (Tue), (42 27 41).

SPAIN Barcelona, Don Pasquale in a Spoleto production directed by Pier Luigi Samaritani, scenery by Gian Carlo Menotti, conducted by Roberto Ab-bado with Giuseppe Taddei as Pas-quale. Gran Teatre del Liceu, Sant Pau 1. (318 92 77).

Barcelona, El Sur y La Petenera by Manuela Vargas who recently left Ballet Nacional de Espana, presents this ballet co. Teatro Victoria, Par-alelo 87. (241 39 85).

NEW YORK

gardien. Eugen Onegin features Helena Doese, Pari Samar and Wil-liam Workman. Don Giovanni has New York City Ballet (New York State), Lincoln Center (870 5570). American Ballet Theatre (Opera House): Mikhail Baryshnikov brings fine interpretations by Jill Gomez, Paula Page and Michael Glücksmann (2 58 21). his company to its two-month spring season with four new works choreographed by Kenneth MacMillan, John Taras, David Gordon and Karole Armitage, which join the repertory that includes The Nutcracker, Don Quixote, Giselle and La Bayadere. Ends July 5. (362 6000). Cologne, Opera: Carmen includes Kathleen Kuhlmann and Josef Prosauren kumann am Josef Pro-tschka. Parsifal with Siegfried Jer-usalem. Händel's rarely played Agrippina brings Janice Hall and Claudio Nicolai together.

on the plane.

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Copies of the document which comprises Listing Particulars with regard to Technology Project Services PLC in accordance with The Stock Exchange (Listing) Regulations 1984 have been delivered for registration to the Registrar of Corr England and Wales as required by those Regulations. Application has been made to the Council of The Stock Exchange for the whole of the ordinary share capital of Technology Project Services PLC issued and to be issued to be admitted to the Official List. It is expected that the whole of the issued ordinary share capital of Technology Project Services PLC will be admitted to the Official List on 7th May 1986 and that dealings will commence on 8th May 1986.

The Directors of Technology Project Services PLC, whose names, addresses and functions appear below, are the persons responsible for the information contained in the Listing Particulars. To the best of the knowle (who have taken all reasonable care to ensure that such is the case) the information contained in the Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such info

TECHNOLOGY PROJECT SERVICES PLC

(Incorporated in England and Wales No. 1807883)

Placing by

J. Henry Schroder Wagg & Co. Limited

of 1,972,281 Ordinary Shares of 10p each at 140p per share

KEY INFORMATION

The following information is derived from the full text of this document and accordingly must be read in conjunction with that text.

TPS is one of the leading European suppliers of a wide range of qualified and experienced engineering and technical support staff on a contract basis. Its services enable clients, which include both companies and government organisations, to have access to personnel whose skills may be highly specialised and required by the clients only for a relatively short time for a particular project. By providing a flexible alternative to engaging full-time personnel, TPS gives its clients the ability to meet the irregular requirements of specific projects. Contract personnel are only engaged by TPS for the duration of a project so that neither TPS nor the client has the

TPS has over ten years of experience in the provision of these services both in Europe and elsewhere. Its expertise lies in the technical ability of its management to analyse the needs of clients for particular projects, the sourcing of those needs from its extensive database of skilled technical personnel and the administration of the contract personnel during the life of the project.

continuing cost of permanent employment once the project is completed.

Trading record	Fina	ncial year	s to end o	f Decemb	per
£,000.3	1981	1982	1983	1984	
Turnover	4,849	3,905	4,458	5,440	6
Profit before taxation	616	339	384	511	

Set out below is the authorised and issued share capital of the Company as it will be immediately following the admission of the ordinary share capital to the Official List, the capital reorganisation conditional thereon, the redemption of the 850,000 cumulative redeemable preference shares of £1 each and the cancellation of the authorised but unissued share capital arising therefrom.

Issued and being issued fully paid Authorised £479,505 £625,000 Ordinary Shares of 10p each

The shares which are the subject of the Placing rank in full for all dividends and other distributions hereafter declared, paid or made on the issued ordinary share capital of the Company and rank pari passu in all respects with existing Ordinary Shares of the Company.

Indebtedness

1985

6,769

Share Capital

At the close of business on 11th April 1986 the Company had an outstanding secured bank loan of £400,000. On 25th April 1986 the security given by the Company for this loan was released. TPSI has guaranteed this

Save as aforesaid and apart from intragroup indebtedness, the Company and its subsidiary did not have, at that date, any other loan capital (including term loans) outstanding, or created but unissued, or any other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, hire purchase commitments or guarantees or other material contingent liabilities.

Placing statistics

Placing price per Ordinary Share
Number of Ordinary Shares in issue and being issued 4,795,045
Market capitalisation at the placing price £6.7 million
Pro forma earnings per Ordinary Share — actual tax (41.6%).
— notional tax (35%) 8.8p
Pro forma price earnings multiple — actual tax (41.6%) 17.7 times
 notional tax (35%) 15.9 times
Annualised gross dividend yield 2.5%

For the bases and methods of calculation of pro forma earnings per Ordinary Share, price earnings multiple and dividend yield, see the section entitled "Placing and dividends".

Definitions

"the Company" Technology Project Services PLC Technology Project Services (International) Limited, the sole subsidiary of the Company and former called Consultants & Designers (UK) Limited

Directors, advisers and bankers

Richard Malcolm Gautier Avery (USA) Chairman Michael George Doubleday Managing Director

Christopher Roger Ettrick Brooke Non-executive

all of 25 Buckingham Palace Road, London SW1 OPP

Roger Stewart Cox Finance Director

eph Murray Forbes Philip Baldwin Non-executive

Secretary and registered office

J. Henry Schroder Wagg & Co. Limited,

Auditors and reporting accountants

Roger Stewart Cox, FCCA,

issuing house

Stockbrokers

Cazenove & Co...

12 Tokenhouse Yard

Touche Ross & Co.,

1 Little New Street

London EC4A 3TR

Solicitors to TPS

London WC1R 4HE

Solicitors to the placing

Charterhouse Japhet plc,

Greyhound Guaranty Limited.

Registrars and transfer office

Registrar's Department, F.O. Box No. 82,

National Westminster Bank PLC,

Eig this toty and development

The Company was incorporated in April 1984 for the purpose of effecting a management buyout of C&D UK which was then a subsidiary of C&D Inc, itself a subsidiary of Greyhound. C&D Inc had been founded in 1950 to give

technical support to industry and government through the provision of highly qualified contract staff. Following a period of sustained growth, C&D line was floated on the American Stock Exchange in 1962. Greyhound,

acquired approximately 51% of C&D Inc in 1968 and the balance in 1973.

Ashurst Morris Crisp,

Broadgate House,

London EC2M 7HD

1 Paternoster Row,

London EC4M 7DH

London W1X 3LB

Bristot BS99 7NH

St Pauls,

7 Eldon Street

Baldwin & Co.,

Hill House.

Chartered Accountants,

London EC2V 6DS

25 Buckingham Palace Road,

The above figures are derived from the Accountants' report.

"TPS" or "the Group" "Greyhound" "C&D Inc" *C&D UK* "Schroders" "Ordinary Shares"

The Company and TPSI The Greyhound Corporation of Phoenix, Arizona, USA Consultants & Designers Inc. of New York, USA Consultants & Designers (UK) Limited J. Henry Schroder Wago & Co. Limited

The ordinary shares of 10p each in the capital of the

In 1970, Richard Avery, now Chairman of TPS and at that time a senior Manager of C&D Inc. conducted a market survey of the potential for extending C&D Inc's operations into Europe. This resulted in the London branch of C&D Inc being established in 1971 under his direction and, following the trading success of this operation, the formation of C&D UK in

The London branch of C&D inc and subsequently C&D UK operated autonomously from their US parent. Business developed during the early 1970's primarily with European subsidiaries of US companies which we accustomed to using contract technical staff. At that time, the use of such staff by UK and European companies was not widespread. Nevertheless, is with these companies steadily expanded as the benefits of using contract staff, in particular the convenience and flexibility, became more widely appreciated. In 1976 the Scottish office was opened in Edinburgh to the growing market for C&D UK's services in the region. By the late 1970's C&D UK had an established client list and experience of operating in a number of countries.

In 1984 Greyhound decided to sell C&D UK as part of an extens rationalisation of its worldwide operations. A management buyout, initiated by Richard Avery and arranged by Candover Investments pic, was proposed and subsequently completed in July 1984 with finance provided by a group of UK institutional investors and by Richard Avery and certain

Business

TPS is a service company whose business is the provision of qualified and experienced engineering and technical support staff to clients on a contract basis for periods which vary from a few months to several years. Clients as a result have ready access to a wider range of skills and specialisations than may be available in their own organisations. This means not only that existing expertise within the client can be reinforced quickly by the addition of further personnel but also that completely new skills can be added whe required, thereby enhancing the client's capability for both product and

TPS operates from its Head office in London and a Scottish office located just outside Edinburgh. Richard Avery is the Chairman of TPS and has been responsible for the overall direction and control of the business since the establishment of the London branch of C&D Inc in 1971. Michael Doubleday, the Managing Director, handles the day to day running of the Group. He joined C&D UK soon after its formation in 1974. They are supported by Joseph Forbes, who has been responsible for the Scottish office since it was opened in 1976, and Roger Cox, the Finance Director, who joined the Group

Contract personnel supplied by TPS normally carry out work at the client's premises. TPS also has facilities to carry out certain work at its Scottish office, including electronic and electromechanical design and technical documentation and drafting, although this only accounts for a small

There are three main elements of TPS's service:---

 The analysis of a client's requirements. The selection of suitable personnel.

The engagement of the personnel and their administration during the contract period.

Client requirement analysis

An essential feature of TPS's service is the technical ability of its managers to analyse and understand a client's requirements. This involves a detailed discussion of the client's needs using the specifications provided by the client and TPS's extensive experience of staffing requirements for many types of project. Following this discussion a final specification of staff required for the project is prepared.

The extent of TPS's involvement in a project ranges from the provision of a single expert to a whole team, including project management and administrative staff. TPS typically supplies staff for any stage of a project up to the production stage, namely:---

Fessibility study Project definition Development cost programme Product development

Using the agreed specification TPS searches its personnel database to identify suitable candidates and their availability. This computer based system contains information on over 5,000 technical personnel. It is continually updated with tresh information on the current experience and availability of personnel and by the addition of particulars of new technical personnel requesting assignments with TPS. Suitably qualified technical personnel can be difficult to find and TPS's ability to draw on its extensive database in a level to the database in a level to the database in a level to the database. database is a key feature of its service.

Details of the personnel thus selected are submitted to the client for consideration. Final selection is made by the client after interviewing each candidate. Following selection of candidates, TPS's charges for the contract personnel are finalised between TPS and the client, TPS provides a wide range of personnel, skilled in the following

Software design and development, systems analysis, analyst programming, computer operation

Electronic design and development, systems engineering ATE engineering, test/commissioning and trials engineering Mechanical engineering, structures engineering, stress engineering, hydrodynamics, aerodynamics, noise and

vibration engineering Process engineering, instrument engineering, electrical engineering, civil engineering

Technical writing, design drafting, technical illustration, technician support, prototype wiring

When a candidate has been selected for a particular project he is engaged directly by TPS and provided to the client under a separate contract between TPS and the client. TPS is responsible for paying the contract personnel supplied to the client, after deduction, where applicable, of PAYE and National insurance contributions. Payment is made for the number of hours the agreed rate including TPS's profit margin. TPS has no obligation to continue to employ contract personnel once the client's requirement as and consequently has no risk of further financial commitment.

Contract personnel are under the technical direction and control of the client except in the case of certain work carried out at TPS's own facilities. As far as the financial, administrative and contractual matters are concerned, the client only has to deal with TPS, thereby avoiding problems that can be associated with hiring short-term staff, particularly where teams of personnel are involved. TPS carries public and employer's liability insurance for its contract personnel but, in common with other similar employment businesses, does not carry professional indemnity insurance. The Directors consider this to be a

The TPS executive responsible for the client remains in close contact during the life of the project with both the client and the contract personnel. This ensures that TPS is always aware of the client's requirements, including their need for additional staff, and also that the contract personnel are satisfied with the terms and technical content of their employment.

Market and customers

The provision of skilled engineers and technical staff on a contract basis is a well established business in the US. TPS had its origins in the US and much of its early business in Europe was with the subsidiaries of US compenies which were familiar with the concept of using contract personnel services. However TPS has seen the European market develop steadily as companies and government bodies have come to recognise the benefits that arise from not taking on permanent stall in highly specialist areas where the requirements for such skills may be irregular. An increase in the demand for these services has also generated a greater supply of suitable personnel who are intenin contract working. The contract personnel market is now able to offer a continuity of opportunities of employment which was not possible a few years ago. The flexibility of this arrangement, for both client and contract personnel, has contributed to the growth of the market.

TPS has selected and provided contract personnel for a wide range of high technology projects in the electronics, avionics, aerospace, telecommunications, computing, petrochemical and process industries and during the last three years it has done business with over 200 companies. During the course of the current year some 240 contract personnel have been supplied to over 60 companies including many of the major high technology companies. in the UK and continental Europe, for example:-

Defence Barr & Stroud

British Aerospace Fernanti Computer Systems GEC Aviones The Marconi Company Philips & MEL Plessey Defence Systems Racal MESL Microwave Rediffusion Simulation Royal Ordnance Smiths industries Sciartron-Schlum Vickers Shipbuilding & Engineering

British Telecom GTE ATEA, Belgium ITT in Europe: BTMC, Belgium

Vinten Avionic Systems

ITC, Belgium SEL, West Germany STK. Norway Standard Telephones & Cables

Burroughs Machines Electro Optic Development

Hughes Microelectronics Kelco International PYE Unicam Racal Guardali Rodime Europe Sperry Computer Systems

Wang Laboratories

Energy & PetroChemical British Petroleum Borg Warner Chemicals Daniel Industries

National Engineering Laboratories National Nuclear Corporation Sante Fe (UK) South of Scotland Electricity Board

GEC Transmission & Distribution

In 1985, some 20 projects, which accounted for 69% of turnover, were being carried out for 14 subsidianes of three major international groups, namely ITT, GEC and Pilkington. These projects were spread over 5 countries and each employed an average of approximately 7 contract personnel. No other client or related group of clients during 1985 accounted for more than 5% of turnover and the ten largest accounted for 82% of turnover,

A geographical analysis of the Group's turnover over the last three years is

· ;:		·		Financial 1983 £'000	year to end 1984 £'000	of December 1985 2°000
UK Continents	d Europe		•	3,482 976	4,023 1,417	4,677 2,092
*	-	<u> </u>	٠,٠	4,458	5,440	6,769

Marketing

TPS's strongest marketing point is the quality of the service that it provides The Directors and Account Executives who are responsible for particular clients develop a close working relationship with them and so ensure that resent requirements, and any additional ones that may arise either during the course of a project or as a result of a new project, can be met quickly and efficiently. Consequently, an important part of TPS's business is derived from established clients and companies that have been clients in the past.

The marketing of TPS's services to companies that are not familiar with the benefits of using contract personnel involves the identification of those industry sectors and geographic areas where potential for new business exists. In particular, TPS aims to concentrate on those sectors which are exhibiting, or are forecast to exhibit, strong growth. Within each such sector the Directors and Account Executives are responsible for identifying and marketing potential client companies and, where appropriate, additional Account Executives with specific expertise in these areas are taken on.

Competition

The contract personnel services industry in Europe is highly fragmented. There are a small number of direct competitors in Europe that offer a broadly comparable service but the Directors believe that none offers a more extensive range of highly skilled contract personnel than TPS.

Whilst there are over 9,000 agencies in the United Kingdom which have been granted licenses by the Department of Employment, these agencies cover a wide spectrum of activities. Within the technical and engineering sphere they mainly concentrate on the provision of less highly qualified technicians which is not part of the mainstream business of TPS

Certain companies providing specialised skills compete with individual parts of TPS's business. Examples of such specialists include software houses and systems design companies, although they normally operate on a different basis to TPS in respect of the technical control and retention of ownership of the design work.

Directors, executives and employees

Richard Avery, aged 55, is Chairman and a major shareholder following the menagement buyout in 1984. He established C&D Inc's presence in Europe in 1971 and formed C&D UK in 1974. Prior to transferring to Europe, he worked for C&D Inc's Head office in New York, where he gained thirteen years of marketing and management experience in the North American contract technical personnel industry. Mr Avery intends to retire when his service agreement expires in 1990 when he will have reached the age of 60. Wichael Doubleday, aged 42, is Managing Director. He joined TPS in 1974

Michael Doubleday, aged 42, is Managing Director, He joined 12's in 1974, having previously worked as Contracts Manager and then General Manager for a contract engineering services company which provided electronic technical expertise to the commercial and defence industries. His earlier career included engineering experience with Hawker Siddeley Dynamics Limited, the British Arroraft Corporation and the Royal Air Force. He joined that Canad at the time of the meanagement beneath in 1994. the Board at the time of the management buyout in 1984.

Roger Cox, aged 39, is Finance Director and Company Secretary. He is a Fellow of the Chartered Association of Certified Accountants. After spending ten years with the Pye Records Group (a subsidiary of Associated Television), where he was latterly Group Financial Accountant, he joined TPS in 1979 as Financial Controller before becoming Finance Director in

Joseph Forbes, aged 39, is an executive Director and has been responsible for the development of TPS's Scottish operation since he joined TPS in 1976. His earlier technical career as a designer included mechanical and electronic engineering experience with Ferranti, the Burroughs Corporation, Marconi Space and Defence Systems and Racal, He joined the

Phillip Baldwin, aged 34, is a non-executive Director. He is a partner in the firm of Baldwin & Co., solicitors to the Company, and a graduate of Manchester Business School. He joined the Board at the time of the

Roger Brooks, aged 55, is a non-executive Director. He is currently chief executive of Candover Investments pic which organised the truyout of C&D UK. He held the posts of deputy managing director of the Industrial Reorganisation Corporation from 1966 to 1969, executive director of the Reorganisation Corporation into 1900 to 1969, executive cirector of the Pearson Group from 1971 to 1979, and group managing director of EMI for a short period until it was merged with Thom Electrical Industries in 1980. He Joined the Board at the time of the management buyout in 1984.

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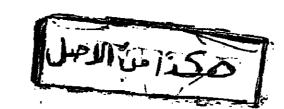
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Donald Bray, aged 64, is a Technical Recruiter at Head office. Prior to joining TPS in 1981 his career included several years in the contract engineering industry and wide experience of electronic engineering and communications both in the Royal Electrical and Mechanical Engineers and in industry."

lan Cheyne, aged 38, is an Account Executive in Scotland responsible for client relations and marketing of the Group's data processing services throughout Scotland. Prior to joining TPS in 1985 he had wide experience as a systems consultant and senior systems analyst both in the U.K. and

Stuart Fergusson, aged 41, is a Technical Recruiter in Scotland. He joined TPS in 1985 after a career in the Royal Signals where he specialised in electronics and communication systems.

David Gibson, aged 47, is a Technical Recruiter for overseas contracts at Head office: He joined TPS in 1980 having served for 22 years in the Weapons Engineering Branch of the Royal Navy.

David Hull, aged 41, is an Account Executive in Scotland. He joined TPS in 1984 after a career in the Engineering Branch of the Royal Air Force where he specialised in complex avionic systems and automatic test equipment. Ronald Johnston, aged 40, is an Account Executive at Head office. He joined TPS in 1985 after a career in the Engineering Branch of the Royal Air Force where he gained experience in avionics, flight simulation and computer

based military systems training. Diane Lesse, aged 41, is a Technical Recruiter for electronics technicians and support staff for the off and petrochemical industries in Scotland. She joined TPS in 1978 having held a number of administrative positions with local covernment authorities.

Charles Woodmore, aged 41, is a Technical Recruiter at Head office. He joined TPS in 1985 having previously served for 25 years in the Engineering Branch of the Royal Air Force.

including executive Directors, the Group currently has 17 full-time employees and 2 part-time employees. These figures do not include connel out on contract to clients who, although actually engaged by TPS on behalf of the client, do not form part of its permanent staff. The everage number of full-time employees by category of employment over the last three years is illustrated below.

	1983	1984	1985
Executive Directors Account Executives Technical Recruiters Administration	1 2 5 4.	3 2 . 5 . 4	3 3 5 6
Lemina non mon.		·	
: · · · · · · · · · · · · · · · · · · ·	12	14	17
·			

Trading record and prospects

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Trading record The trading record of the Group for the five years ended 29th December 1985 is set out in the Accountants' report below. A summary of the turnover and profit before texation over this period is shown in the following table:-

and broug perore reversary		Years1	o end of D	ecember	
£'000	1981	1982	1983	1984	1985
Turnover	616	3,905 339	384	5,440 511	6,769 645
in 1980 and 1981, the rece of TPS's clients and cons excellent performance of supported by three main of TPS's turnover. At the	sequently to if TPS ag- projects will and of 198	ne market ainst this nich betwe t1. these 1	backgrousen them a	und in 19 accounted acts were	81 was for 70%

and, as a result, the profits for 1982 suffered a substantial fall. Since 1982 TPS has shown steady growth. This reflects the efforts of management to widen the client base which has allowed a greater concentration on areas of the business where profit margins are higher, for example on oversess projects. In addition the spread of projects has also been expended considerably over this period so that TPS is not exposed to such a small number of large projects.

The current year has started well. The Directors consider that the prospects for future growth are good and will continue to improve as more companies become aware of the advantages of flexibility, speed of response and economy offered by the use of TPS's contract personnel service. They plan to broaden TPS's management, particularly in the area of European marketing, in order to provide additional capacity to handle business from this expanding base of existing and potential clients.

TPS intends to continue to develop its relationships with existing clients in the electronics and software engineering fields and to expand its involvement with the serospace and telecommunications inclustries in the UK and overseas. The identification and marketing of new clients in selected markets in which TPS does not currently have a significant presence, for example the data processing industry, will continue to be a priority.

An expansion of overseas business is envisaged in Europe and elsewhere. Certain restrictive undertakings not to compete in the North America market, which were given to C&D Inc at the time of the management buyout, market, which were given to C&D Inc at the time of the management buyout, expire in July 1986. This will allow the Group to expire the possibilities for North American business.

Placing and dividends

The Directors believe that TPS has reached a stage in its development where a Stock Exchange listing is appropriate. The fisting will enable TPS to have access to new sources of capital for the future development of its business and provide the commercial advantage of enhancing TPS's profile

The Directors are also taking the opportunity at the time of the Placing to reward the success and loyalty of TPS's executives through the establishment of a share option scheme.

The 1,972,281 Ordinary Shares being placed represent 41.1% of the Company's enlarged issued share capital; 1,115,138 Ordinary Shares are being sold by existing shareholders and 857,143 new Ordinary Shares are being sold by existing shareholders and 857,143 new Ordinary Shares are being issued by the Company. At the Placing price the Company will be

The proceeds of the Placing for the Company will amount to approximately \$1.2 million and will be used to redeem the cumulative redeemable preference shares which formed part of the funding for the management buyout and to meet the expenses of the Placing. The balance will be used to

provide additional working capital. Pro forms earnings per Ordinary Share are based on the number of Ordinary Shares which will be in issue following the Placing and the profit before terration for the year ended 29th December 1985; adjusted for a full year's Interest at 10% (before taxation) on the net proceeds of the Placing (after redemption of the cumulative redeemable preference shares and the resembles of the Placing). On these bases and an actual tax charge of expenses to the samings per Ordinary Share for the year ended 29th December 1985 were 7.9p. On the basis of a notional tax charge of 35% pro forms earnings per Ordinary Share for the year ended 29th December 1985

The Placing price of 140p per Ordinary Share represents a multiple of 17.7 time rescard cross or 1-40p yet ordinary Share (actual tax) and 15,9 times pro ignes pro forms earnings per Ordinary Share (actual tax) and 15,9 times pro torna earnings per Ordinary Share (notional tax).

The Ordinary Shares now being placed will rank in full for all dividends hereafter declared. The Directors expect, in the absence of unforeseen accumulations, to recommend the payment of dividends in respect of the cocumisments to resource at the payment of carporities in respect of the year ending 28th December 1986 of not less than 1.66p per Ordinary Share (2.34p incusive of related tax credit). If the Company had been listed for the whole year, the Directors would have expected to recommend total dividences for the year of not less than 2.49p per Ordinary Share (3.51p) ovincents for the year of the ress user a sorp per Cromary Share (3.5) per Cro of 2.5% at the Placing price. This level of dividend would have been cove 3.5 tares, by pro forms earnings for the year ended 29th December 1985 on

The basis of a notional tax charge of 35% as calculated above. In respect of 1986 and thereafter, it is intended that interim dividends will be

paid in November and final dividends in May.

Pro forma balance sheet

Set out below is a pro forma consolidated balance sheet for the Company based on the audited figures as at 29th December 1985, adjusted for the proceeds of the Placing and the capital reorganisation referred to in the

Note below.	29th December 1985 £'000	Pro forma £'000
Fixed assets Tangible assets	89	89
Current assets Work in progress Debtors Cash at bank and in hand	2 1,670 590 2,262	1,670 650 2,322
Creditors: Amounts falling due within one year Net current assets Total assets less current liabilities Deferred taxation Term loan	(1,539) 723 812 (18) (300) 494	(1,539) 783 872 (18) (300) 554
Capital and reserves Ordinary shares Convertible cumulative participatin preferred ordinary shares Cumulative redeemable preference shares Share premium account Capital redemption reserve Goodwill written off Profit and loss account	2,0	960 6 (1.267) 375

note:
In summary, the capital reorganisation, which will take place when the admission of the
ordinary share capital of the Company to the Official List by the Council of The Stock,
Exchange becomes effective, involves the following —

- (a) The 250,000 convertible cumulative participating preferred ordinary shares of £1 each being converted into 75,023 ordinary shares of £1 each and 174,977 deferred
- Each of the existing ordinary shares of £1 each then in issue (including those converted) being subdivided into 10 Ordinary Shares of 10p each.
- The authorised share capital being increased to £1,475,000 by the creation of 2,250,000 Ordinary Shares of 10p each.
- (d) The purchase by the Company of the 174.977 deferred shares of £1 each for an aggregate consideration of £174.96 and the resulting authorised but unessued shares of £1 each being converted and subdivided into 1,749,770 Ordinary Shares of 10p each
- (e) Conditional upon the purchase and conversion of the deterred shares, £168,767.20, being part of the amount standing to the credit of the capital redemption reserve account, being capitalised and applied in payment up of 1,687,672 new Ordinary Shares of titp each to be distributed credited as fully paid to the holders of Ordinary Shares in the proportion of three stares for every four shares held following the reclassification and subdivision referred to above.
- The redemption of the cumulative redeemable preference shares of £1 each at par subsequent to the Piacing and, conditional thereon, the cancellation of the \$50,000 authorised but unssued shares of £1 each snaing therefrom.

Accountants' report **△** Touche Ross

The Directors. Technology Project Services PLC, 25 Buckingham Palace Road, London SW1W OPP

The Directors, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS

Hill House, 1 Little New Street London EC4A 31R 1st May 1986

Chartered Accountants

Technology Project Services PLC ("the Company") was incorporated on 11th April 1984 as Teamgrant Limited. Q 9th November 1984 it changed its name to Technology Project Services (Holdings) Limited and on 19th March 1986 further changed its name to Technology Project Services Limited. It was reregistered as a public limited company under its present name on 15th April 1986. On 13th July 1984 it acquired from Consultants & Designers hare capital of Consultants & Designers (UK) Limited which subsequently changed its name to Technology Project Services (International) Limited (TPSI).

We have exemined the audited accounts of the Company and its wholly owned subsidiary company (together called "the Group") for the 5 years from 29th December 1980 or from the subsequent date of incorporation to 29th December 1985. We have acted as auditors to the Group throughout the period covered by this report. The audits have been carried out in accordance with approved auditing standards.

The financial information set out in this report is based on the audited accounts of the Group for the five years ended 29th December 1985 after making such adjustments to the audited accounts as we consider necessary and is presented as if a group structure had subsisted throughout the 5 year period.

Our work has been carried out in accordance with the Auditing Guideline pectuses and the Reporting Accountant'.

in our opinion the financial information set out below gives, for the purposes of the listing particulars to be dated 1st May 1986, a true and fair view of the profits and source and application of funds of the Group for each of the 5 financial years ended 29th December 1985 and of the state of affairs of the Group at the end of each of those years.

Audited accounts for the Group have not been made up for any period subsequent to 29th December 1985.

A. Accounting Policies

The significant accounting policies adopted in arriving at the financial information set out in this report are as follows:-

The annual financial statements have been made up as follows: Period covered Financial year end 27th December 1981 52 weeks 52 weeks 26th December 1982 52 weeks 25th December 1983 53 weeks

- (b) Accounting convention The financial statements have been prepared under the historical
- The consolidated financial statements for 1981, 1982 and 1983 comprise solely the financial statements of TPSI. The financial statements for 1984 and 1985 comprise the financial statements of the Company and its subsidiary company, TPSI, from the date of
 - At the date of acquisition, the fair values of the net assets of TPS were reviewed and it was considered that the existing net book values at that date were fairly stated and these values were incorporated in the consolidated financial statements. The excess of the cost of the investment over the net assets (goodwill arising on consolidation) has been written off to reserves.
- ents amounts invoiced, excluding value added tax, to Tumover repré

30th December 1984

- customers of the Group. Transactions denominated in foreign currencies are translated into sterling at rates ruling at the date of the transaction. Assets and es in foreign currencies are translated into sterling at exchange rates ruling at the year end. All exchange differences are dealt with
- through the profit and loss account. (f) Tangible fixed assets Depreciation on tangible fixed assets is calculated to write off the cost on the straight line basis over the expected useful lives of the

sets. The annual rates used are: Over the term of lease Short leasahold property 10% Foctures and fittings 20% Office equipment

(g) Work in progress Work in progress, which comprises the cost of time worked by contract staff but not involced, is valued at the lower of cost and net

(h) Deferred taxation Deferred taxation is provided at the rates of taxation which are expected to apply on all material differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial ments, except where such differences are expected to continue in the future.

B. Consolidated profit and loss account

And the second second

The consolidated profit and loss accounts of the Group for the five financial years from 29th December 1980 to 29th December 1985 are set out below.

years from 29th December 1980 to 2	Notes	1991 E1000	1982	1563	1304	1965 B	
	1	4 849	3 905	4.458	5,440 6	769	
Turnever Dract costs	•	(3,643)	(3.136)	(3,616)	(4,420) (5	.471)	
Gross profit	•	1,006	769	842			3
Administrative expenses	_	(338)	(467) 71	(454)	(÷57) 2		d
interest receivable	2	44 (36)	(34)	(4)	(44)	(79)	•
interest payable	٠,						4
Profit on ordinary activities	4	616	339	384	511	645	
before texation	5	(321)	(180)	(205)	(222)	(268)	
Taxalion			159	179	289	377	Е
Profit after taxation	6	255	1,55				C
Dividends: on Preference shares and	۰						4
Dratemed ordinary shares		_	_	_	(44)	(97)	
_from TPSi to Consultants &		(177)	(79	(90)	_	_	į
Designers Inc		<u> </u>			 245	280	
Pre-acquisition profit of TPSI not		118	au	- 55			
available for distribution		-			(150)		
		118	80	89	95	290	
a	6	370	160				
Dividends per share Earnings per share	7	620	3.3¢	37р	6 Op	7.9p	
<u> </u>	nd lase	accol 10	t				
Notes to the consolidated profit a	IN Maa	2000011					
1. Turnover		198				1985 £000	
a '		1000	, 200	. 2000			
Geographical analysis by location of customer				2 3,482	4.023	4,677	
United Kingdom		3,31! 1,53				2,092	
Continental Europe				5 4.458	5,440	6.769	
		4,84		= ===			
Interest receivable		195				1955 £000	
a to all dispersion		£00		71 -	- 2	5	
On bank deposits		_			===		
_							
Interest payable		190	31 19				
		Ð	90 EO	00 200	10 E000	£000	
On bank loans and overdrafts repayable within five years					_ 37	79	
On amounts due to Consultants &			36	34	4 7		
Designers Inc						79	
			36 — —	34 ======	•		
4. Profit on ordinary activities	nafara t		 1				
4. Profit on ordinary activities	DEIUIG 0	75	Q():	992 19 900 EU	83 198 <u>-</u> 00 500		
The is shown after charging		20	100 E			_	
This is shown after charging Depreciation			7	8	8 9	9 14	
Costs of setting up and closing				67	24 -		
down an overseas office Directors' emoluments (see below)			81	80	92 16		
Auchtors' remuneration			3 14	3 12		4 4 4 17	
Leasing and fire charges		_	<u> </u>			s ====	
In 1981, 1982 and 1983 there	was o	ne exe	cutive	directo	r. Follov	ving the	

In 1981, 1982 and 1983 there was one executive director. Following in 1981, 1981, the number of acquisition of the subsidiary company on 13th July 1984, the number of acquisition of two employees.

executive directors movedades to the early	•				
5. Taxation	1981	1982	1983	1964	1965
	\mathfrak{M}	£000	2000	£000 222	2000 250
United Kingdom corporation tax less: relief for double taxation	304	197 (14)	205 (62)	(51)	(24)
	304	183	143	171	226
a constanting	_	14	62	51	24
Cyerseas lavation Deferred tavation	17	(17)	_		18
	321	189	205	222	268

6. Dividends

Dividends were paid by TPSI to Consultants & Designers Inc (a subsidiary of The Greyhound Corporation and the former parent company of TPSI) mounting to 60% in 1981 and 50% in 1982 and 1983 of the profits after taxation. In 1984 and 1985 dividends were paid on the cumulative redeemable preference shares (the "Preference shares") and the convertible cumulative participating preferred ordinary shares (the "Preferred ordinary

shares) by the Company as lollows:— Preference shares Preference ordinary shares		1985 2000 68 29
Piero diame, and an	44	97
•		

The calculation of dividends per share has been based on the number of Ordinary Shares that will be in issue immediately after the Placing.

Earnings per share have been calculated on the profits of each year after taxation and on 4,795,045 Ordinary Shares of 13p each being the number of Ordinary Shares in issue immediately after the Placing.

C. Consolidated balance sheets

Consolidated balance sheets of the Group are set out below: Notes 27th 25th 25th Dec. Dec.

. •		1981 1981 1900	Dec. 1982 E'000	1983 £'000	1984 £1000	1985 £'000
Fixed Assets Tangible assets	1	40	34	25	26	89
Current Assets Work in progress Debtors Cash at bank and in hand	2	683 898	986 32	1,142 132	1,210 468	1,670 590
		1,581	1,021	1,276	1,681	2,262
Creditors: amounts falling due within one year Consultants & Designers Inc Other creditors	4	(457) (707)		(136) (556)	 (1,093)	 (1,539)
Net current assets		417	486	584	588	723
Total assets less current liabilities Deferred analion Termican	5		520	609	614 (400)	812 (18) (300)
(Still you)		440	520	609	214	494
Capital and reserves Share capital Share premium Goodwall written off Profit and loss account	7 8	=	-		95	136) (1,267)
Capital and reserves of TPSI not available for distribution		440	520			
••		440	520	609	214	494
Notes to the consolidated belance sh	eel	at 29th	Decem	nber, 19	985	

Tangible fixed assets

At 29th December 1985 these were as follows: *jeasehold* fittings equipment 2000 2000 £000 142 53 Accumulated decreciation Net book value

2. Debtors	
	30th December 29th Dec
	1984
	2000
	1 138

e debtors noed corporation lax recoverable syments and accrued income	£000 1,138 43 29	£900 1,617 23 30
diameter and a second	1,210	1,670

3. Cash at bank and in hand 30th December 29th December 1964 2000 2000 526 64 Bank balances held for contract personnel as bonus accounts 305 163 Other cash and bank balances 590 468

Bank balances held for contract personnel as bonus accounts are in the name of the Company but for their account. Contract personnel may not unts without the consent of the Company.

4. Other creditors	30th December 29th	December
	1984	1985
	2007	£000
	59	80
Bank overdraft	100	100
Current portion of term loan (note 6)	328	558
Amounts due to contract personnel as bonuses	41	54
Dividends payable	354	497
Taxation and social security	211	250
Other creditors and accruais		
	1.093	1,539

The bank overdraft is unsecured and repayable on demand. Total overdraft facilities available to the Group currently amount to £300,000.

The provision at 29th December 1985, which represents the full potential

fiability, comprises accelerated capital allowances. Term loan 30th December 29th De 5000 £000 Bank loan repayable in equal annual instalments up to 1969 with interest at 2% over London interbank offered rate, secured by a charge over the share 300 400 capital of TPSI and a guarantee by TPSI 7. Share capital

£000 £000 Authorised, allotted and fully paid shares of £1 each 150 Ordinary shares 8% Preference shares 850 850 ith dividends the greater Preferred ordinary shares of 7% of the nominal value of the Preferred ordinary 250 250 shares issued or 4.5% of pre-tax profits 1,250 1,250 Share premium 30th December 29th De 2000

1985 250 250 250 114 Premium on issue of ordinary chares less; prelminary expenses 136 136 9. Profit and loss account ember 29th December 1985 2000 £000 95 280 Opening balance Retained profits 95 375 Closing balance

 Contingent liabilities There were no significant contingent liabilities as at 29th December 1985.

As at 29th December 1985 there were commitments to make the following payments in 1986 in respect of operating leases;

£000 Leases which expire: Within one year Between two and live years 12 15

12. Subsequent events

(i) Since 29th December 1985 there have been the following changes in the authorised and issued share capital of the Company which are to take effect conditional on admission of the Ordinary Shares of 10p each in the Company to the Official List by the Council of The Stock Exchange becoming effective not later than 15th May 1986. On 30th April 1986:--

(a) The 250,000 Preferred ordinary shares of £1 each were converted into 75,023 ordinary shares of £1 each and 174,977 deferred shares of £1 each. (b) The ordinary shares of £1 each were subdivided into 10

Ordinary Shares of 10p each. The authorised share capital of the Company was increased

to £1,475,000 by the creation of an additional 2,250,000 Ordinary Shares of 10p each. (d) The 174,977 deferred shares of £1 each were repurchased by the Company for a consideration of £174,96. The resulting authorised but unissued shares of £1 each were converted

and subdivided into 1,749,770 Ordinary Shares of 10p each. (e) 1,687,672 Ordinary Shares of 10p each were allotted credited as fully paid to the holders of the Ordinary Shares by way of

capitalisation of reserves. (f) 857,143 Ordinary Shares of 10p each were allotted nil paid to J. Henry Schroder Wagg & Co. Limited. Following the Placing the 850,000 Preference shares of £1 each will be redeemed and conditional thereon the 850,000 authorised but

unissued shares of £1 arising therefrom will be cancelled. (ii) The Company has adopted an Executive Share Option Scheme, subject to approval by the Inland Revenue. It is intended that options be granted on the date that the admission of the ordinary share capital of the Company to the Official List becomes effective.

(iii) With effect from 1st April 1986 the rate of interest on the term loan was reduced to 1/4% over London interbank offered rate, and on 25th April 1986 the loan became unsecured.

D. Consolidated statement of source	and ap	plicatio	on of fu	ınds	
D. Ogliosida	1981 £'000	1982 Σ'000	1983 £'000	1984 £'000	1985 £'000
Source of Funds Profit on ordinary activities before taxation Adjustments for items not involving the use	616	339	384	511	645
of funds Decreciation	7	В	B 1	9	14
Loss on disposal of fixed assets Pre-acquisition profits not distributable		_=	<u>.</u>	(150)	
Total generated from operations	623	347	393	370	659
Proceeds from disposal of fixed assets Issue of share capital	_		<u>'</u>	1,500	=
Term loan				500	
	623	348	394	2,370	659
Application of Funds Purchase of tangible fixed assets	12 69				
Tax paid Dividends paid	177				
Repayment of term loan Purchase of subsidiary	_	: =	: =	1,978	
Dialiminary exterises	_	-		- 114	-
Increase/(decrease) in working capital Work in progress Debtors	(9 (402	n 344	18		
Consultants & Designers Inc Other creditors	(189 145				
	(200	0) 1,25	B 25	0 2,23	558
Increase/(decrease) in net liquid funds	82	3 (91	0) 14	_	1 101
Represented by:					
Increase/(decrease) in cash at bank and in trand	82		,)0 19 14 (5	0 122 9 (21)
(Increase)/decrease in overdrafts		_ <u></u>		44 13	

823 (910) 144 131 101

nmary of the effects during 1984 of the acquisition of TPSi.

£000 685 1,267 1,978 1,978 Discharged by cash

Yours faithfully.

TOUCHE ROSS & CO.

Chartered Accountants

Additional information

1. The Company and its share capital

- The Company was incorporated and registered in England and Wales on 11th April 1984 as a private limited company under the Companies Acts 1948 to 1981 (registration number: 1807883) with the name of Teamgrant Limited. Pursuant to a special resolution passed on 8th October 1984 the name of the Company was changed to Technology Project Services (Holdings) Limited on 9th November 1994 Suggest 1994 Services (Holdings) Limited on 9th November 1995 Services (Holdings) Limited On 1984. Pursuant to special resolutions passed on 28th February 1986 the name of the Company was changed to Technology Project Services Limited on 19th March 1986 and the Company was re-registered as a public limited company on 15th April 1986."
- The Company was incorporated with an authorised share capital of \$100 chided into 100 ordinary shares of £1 each. Since the date of incorporation there have been the following changes in the share
 - (i) By an ordinary resolution passed on 10th July 1984 the capital of the Company was increased to £1,250,000 by the creation of an additional 1,249,900 ordinary shares of £1 each. On 10th July 1984 38 ordinary shares were allotted at par and the two nil paid subscribers' ordinary shares were paid up in full, in each case in cash. Between 10th July 1984 and 13th July 1984 149,960 ordinary shares were allotted at a premium of £1.67 per ordinary share for cash.
 - (ii) By a special resolution passed on 13th July 1984 250,000 of the unissued ordinary shares were converted into Convertible Cumulative Participating Preferred Ordinary Shares (the Preferred Ordinary Shares of £1 each and 850,000 of the unissued ordinary shares were converted into Cumulative Redeemable Preference Shares (the "Preference Shares") of £1 each. On the same date all the Preferred Ordinary Shares and all the Preference Shares were allotted at par for cash.
 - (iii) Pursuant to a special resolution passed on 30th April 1986 and also (where appropriate) the consent or sanction given by the holders of each class of share in the capital of the Company, subject to and conditional on the ordinary share capital of the Company issued and to be issued being admitted to the Official List by the Council of The Stock Exchange and such admission becoming effective not later than 15th May 1986:
 - A. the 250,000 Preferred Ordinary Shares of £1 each were converted into 75,023 ordinary shares of £1 each and 174,977 deferred shares of £1 each (the "Deferred Shares"):
 - B. each of the existing ordinary shares of £1 each (including those resulting from the conversion referred to in A above) was subdivided into 10 Ordinary Shares of 10p
 - C. the authorised share capital of the Company was increased to £1,475,000 by the creation of an additional 2,250,000 Ordinary Shares of 10p each;
 - D. the contract referred to in sub-paragraph 8(e) below for the purchase of the Deferred Shares was approved;
 - E. the 174,977 authorised but unissued shares of £1 each resulting from the purchase of the Deferred Shares were converted and subdivided into 1,749,770 Ordinary Shares of 10o each:
 - F. new Articles of Association were adopted: G. the Directors were authorised pursuant to Section 80 of
 - defined in that Section):
 - (1) in order to effect the capital reorganisation and the ntment of new Ordinary Shares pursuant to the Placing such authority to expire on 15th May 1986 or immediately following the coming into effect of the admission of the Ordinary Shares to the Official List by the Council of The Stock Exchange (whichever is the earlier): and
 - (2) for any other purpose thereafter up to a maximum nominal amount of £113,000 such authority to expire on 30th April 1991;
 - H. the Directors were empowered to allot equity securities (as defined in Section 94(2) of the Companies Act 1985) pursuant to the authority referred to in G above as if Section 89(1) of the Companies Act 1985 did not apply to such allotment provided that the power contained in sub-paragraph G above is limited to the allotment of equity securities:
 - (1) in connection with a rights issue subject to such exclusions or other arrangements that the Directors may deem expedient in relation to fractional entitlements or legal or practical problems; and
 - (2) in connection with the capital reorganisation referred to above and the allotment of the new Ordinary Shares pursuant to the Placing such authority to expire on 15th May 1986 or immediately following the coming into effect of the admission of the Ordinary Shares to the Official List by the Council of The Stock Exchange (whichever is the earlier); and
 - (3) for any other purpose thereafter up to a limit of the authorities given under (1) and (3) above expiring on
 - the date of the Annual General Meeting of the Company
 - 1. the sum of £168,767.20 was capitalised and applied in payment up of 1,697,672 new Ordinary Sha distributed credited as fully paid to the holders of Ordinary Shares following the subdivision reclassification referred to in A and B above in the proportion of three new Ordinary Shares for every four Ordinary Shares then held; and
 - J. conditional upon the redemption of the Preference Shares the resultant undesignated £850,000 authorised but unissued share capital of the Company was led and the Articles of Association were amended by the deletion of all references to the Preference
- The Ordinary Shares being placed will be registerable in due course but are being placed in renounceable form.
- The provisions of section 89(1) of the Companies Act 1985 (which to the extent not disapplied confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid in cash) apply to the authorised but unissued Ordinary Shares which are not the subject of the disapplication referred to in paragraph (b) (m) (H) above. In addition, notwithstanding such disapplication, the provisions of the continuing obligations between the Company and The Stock Exchange currently require that, unless the approval of shareholders in general meeting is obtained, further issues of Ordinary Shares for cash shall be made on a pro rata basis.
- The new Ordinary Shares were created and will be issued and allotted by virtue of the resolutions and authorisations referred to in paragraph (b) (iii) above and resolutions of the Directors of the
- Following the Placing, 1,454,955 Ordinary Shares will remain authorised but unassued, however, no material issue of shares in the Company (other than to shareholders pro rata to existing holdings) will be made within one year of the date of this document, without the prior approval of the shareholders of the Company in General
- 2. Memorandum and Articles of Association
- The Memorandum of Association of the Company provides that its principal objects are to carry on the business of a holding company

and any other business which may be advantageously carried on with or ancillary to that business. The objects of the Company are set out in full in Clause 4 of the Memorandum of Association which is available for inspection at the address specified in paragraph 12

The Articles of Association of the Company adopted pursuant to the special resolution referred to in paragraph 1(b)(ii) above, contain provisions, inter alie, to the following effect:

(i) Variation of rights and atterations of capital

If at any, time the share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the Companies Act 1985, whether or not the Company is being wound up, be modified, abrogated or varied with the consent in writing of the holders of three teather of the insulations of the content of the insulations of the second of the content of the insulations of the content of the insulations of the insula fourths of the issued shares of the relevant class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be varied by the creation or issue of further shares ranking pari passu therew

(i) Transfer of shares

The second secon

Subject to the restrictions contained in the Articles of iation any member may transfer all or any of his shares, but every transfer must be:-

- A. signed by or on behalf of the transferor (and, in the case of a share which is not fully paid, signed by or on behalf of the transferee); and
- B. in writing in any usual or common form, or any other form which the Directors may approve; and
- C. left at the registered office of the Company for the time being, or such other place as the Directors may determine, for registration; and
- D. accompanied by the certificate(s) of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of any share which is not a fully paid share. The Directors may ise refuse to register any transfer of a share, whether fully paid or not, in favour of more than four persons jointly or if the instrument of transfer is in respect of more than one class of

(iii) Voting rights

- A. Subject to any rights or restrictions for the time being attaching to any class or classes of shares, on a show of hands every member present in person, by proxy or by representative (if a corporation), shall have one vote, and on a poll every such member shall have one vote for each share of which he is the holder.
- B. No member, unless the Directors otherwise determine, is entitled to vote if any call or other sum presently payable by him to the Company in respect of any share held by him remains unpaid or if he or any person appearing to be interested in shares held by him, has been duly served with a notice under section 212 of the Companies Act 1985 (requiring disclosure of interests in shares) and has tailed to comply with such notice within 28 days or such longer period as the Directors may determine.

(iv) Directors

- A. The Directors are not required to hold any shares in the capital of the Company.
- B. The provisions of Section 293 of the Companies Act 1985 (which regulate the appointment and continuation in office of Directors who have attained the age of seventy) apply to the Company.
- C. A Director may be a Director or other officer, servant or member of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received or receivable thereby from such other company.
- D. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day but shall not exceed in the aggregate the amount recommended by the Directors. The Directors may also be paid all reasonable expenses properly incurred by n in connection with the business of the Company.
- E. Any Director who is appointed to any executive office on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as the Directors may
- F. The Directors may pay pensions and other benefits to, inter alia, any Director, or ex Director and his or her
- G. No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company. Subject to the provisions of the Companies Act 1985 and save as therein provided no contract, arrangement, transaction or proposa entered into by or on behalf of the Company in which any Director is interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised thereby by reason of such Director holding that office or the fiduciary relation thereby established, but he shall declare the nature of his interest in accordance with the statutes. Save as provided in H below, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interests otherwise than by virtue of his interests in shares or debeniums or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- H. A Director is (in the absence of some other material nterest than is indicated below) entitled to vote (and will be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—
 - (1) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (2) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidianes for which he hanself has assumed responsibility in whole or in part under a guarantee or indemnity or by the aiving of security; (3) any proposal concerning an offer of shares or
- ntures or other securities of or by the Company or any of its subsidianes for subscription or purchase which offer he is or is to be interested as a participant in the underwriting or subunderwriting thereof;
- (4) any proposal concerning any other company in which he is interested, directly or indirectly whether as an officer or shareholder or other howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for these purposes to be a material inter
- (5) .any proposal concerning the adoption, modification or operation of a superannuation fund or retirements benefit scheme under which he may benefit and which relates to both employees and Directors of the Company and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates;

- (6) any proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom the scheme relates.
- 1. A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as a holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment
- J. Subject to the Companies Act 1985 (and, in particular, Part X of that Act) the Company may by ordinary resolution suspend or relax the provisions described in sub-paragraphs G, H and I above to any extent or to ratify any transaction not duly authorised by reason of a contravention thereof.

(v) Borrowing powers

- A. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and, subject to the provisions of the Companies Act 1985, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- B. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (so far, as regards subsidiaries, by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group and owing to persons outside the Group shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to twice the aggregate of the amount paid up on the share capital and the reserves of the Group (as defined in the

(vi) Dividends

All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

(vii) Entitlement to profits and surplus on liquidation

Subject to any special rights or restrictions attaching to any shares or any class of shares issued by the Company in the future the holders of the Ordinary Shares are entitled pari passu amongst themselves, but in proportion to the amount paid up or, in the case of a liquidation only, which ought to en paid up on the ordinary shares held by them, to share in the profits of the Company paid out as dividends and any surplus in the event of the liquidation of the Company.

3. Executive Share Option Scheme

The principal provisions of the Rules of the Company's Executive Share Option Scheme ("the Scheme"), which were adopted subject to Inland Revenue approval by resolutions of the Company in general meeting passed on 28th February 1986 and 30th April 1986 are summarised below. The Scheme has been submitted to the inland Revenue for approval under the Finance Act 1984.

- Offers of participation may be made in respect of Ordinary Shares to such full time executives (including Executive Directors) as the Directors shall in their absolute discretion select.
 - The maximum number of Ordinary Shares over which options under the Scheme may be granted shall not exceed 750,000 Ordinary Shares, or such greater number as may be approved by the ordinary shareholders not exceeding 5 per cent. of the ordinary share capital of the Company. Subject to that limit, the Directors have the right to grant any options in respect of any number of Ordinary Shares, provided that the number of Ordinary Shares in respect of which options may be granted at any particular date shall not, inter alia. when aggregated with all Ordinary Shares appropriated for issue any other share scheme throughout the duration of the Scheme, exceed 5 per cent. of the Company's issued ordinary share from time to time and further, when aggregated Ordinary Shares appropriated for issue under any other share incentive or share option scheme during any three year period, shall not exceed 4 per cent. of the issued ordinary share capital from time
- The consideration for or on the grant of options is £1 and no options may be granted later than 10 years after the commencement of the Scheme. Options, which may not be transferred or assigned, will not be exercisable before the expiry of 3 years from the date of grant (except in the case of the death of the option holder or in certain other circumstances including a takeover of the Company and, conditionally on such resolution being passed, the giving of notice of a resolution for the voluntary winding up of the Company), Options will normally lapse at the end of ten years from the date of grant but will also lapse 12 months after the death of the option holder or in certain other circumstances including, inter alia, certain cases where the option holder ceases to be a full time executive of the Company whereupon the option will lapse within one month,
- The subscription price at which holders of options may acquire s shall be determined by the Directors on or before the date of grant of an option but shall not be less than the greater of:
 - (i) the nominal value of an Ordinary Share; and
 - (ii) the market value of an Ordinary Share on the immediately preceding dealing day determined in accordance with section 150 of the Capital Gains Tax Act 1979 or where there is no such dealing day the market value of an Ordinary Share as determined by the auditors (subject to agreement with the Shares Valuation Division of the Inland Revenue) and ed in accordance with Part VIII of the Capital Gains Tax Act 1979 for the date of grant.
- No executive may be granted options at any particular time to the extent that the subscription price thereof, when aggregated with the value (at their subscription prices) of any Ordinary Shares already acquired or remaining to be acquired by him on exercise of options granted under the Scheme or any other share option scheme approved under the Finance Act 1984 exceeds four times the executive's relevant emoluments for the current or preceding tax
- The Scheme contains provisions, inter alia, for the number of shares which may be issued under the Scheme, the number of shares composed in any options already granted and the subscription price payable for each such share to be adjusted in the event of certain variations in the share capital of the Company.
- The Directors have the power to amend the rules of the Scheme and in particular to ensure that it qualifies as an approved scheme under any legislation for the time being in force relating to approved share option schemes provided that no amendment of the basic structure of the Scheme (including the basis of calculation of the subscription price, the total number of shares available under the Scheme and the maximum number of shares that may be subject to options granted to any one eligible executive) may be made without the prior approval of the Company in general meeting.

Subject to the approval of the inland Revenue, the Directors intend to grant options over 158,780 Ordinary Shares at a subscription price equal to the Placing price to certain employees and executive Directors of the Company on the date that the admission of the ordinary share capital of the Company to the Official List becomes effective.

4. Directors' and other interests

Immediately following the Placing the interests of the Directors and their families (all of which are beneficial) in the issued share capital of the Company, as they will appear in the register maintained under the provisions of the Companies Act 1985, will be as follows:

•	•		Number of
DMC turns	Number of Shares	%	Options to be granted
R.M.G. Avery	1,428,125	29.8	
P. Baldwin	_	_	
C.R.E. Brooks			_
R.S. Cox	51,339	1.1	34.854
M.G. Doubleday	51,339	1.1	73,089
J.M. Forbes	51,339	1.1	34,837
Subject to the approve	al of the Inland Reve	nue, it is i	ntended that the

above options be granted under the Executive Share Option Scheme to Directors at the Placing price on the date that the admission of the ordinary share capital of the Company to the Official List becomes

- R.M.G. Avery, R.S. Cox, M.G. Doubleday and J.M. Forbes are selling 1,000,000, 14,286, 14,286 and 14,286 Ordinary Shares respectively through the Placing anangements:
- F.M.G. Avery holds one shally in the capital of TPSI as nomines for
- Save as disclosed shove, none of the Directors of the Company has any interest in the share capital of the Company or its subsidiary.

 Save for the interest of R.M.G. Avery stated above, the Directors are not aware of any persons who directly or indirectly will be interested in 5% or more of the issued share capital of the Company following
- P. Baldwin is a pertner in the firm of Baldwin & Co. who are solicitors to the Company, who received a fee in connection with the management buyout in July 1984 and will receive a fee in connection with the Placing.
- with the Placing,

 C.R.E. Brooks is the Chief Executive of and a shareholder in,

 Candover Investments bio, one of the promoters of the Company
 disclosed in paragraph 11(c) below.
- Save as disclosed above no Director has any interest in any transaction which is or was of an unusual nature; contains unusual conditions or is significant to the business of the Company or its subsidiary and which is or was affected by the Company or its subsidiary during the current or impediately preceding liminately year or an earlier financial year and which, in the latter case, remains in any respect outstanding or unperformed.
- The founders of the Company were R.M.G. Avery, M.G. Doubleday, R.S. Cox and J.M. Forbes whose addresses and functions are set out

Directors' service agreements and emoluments

R.M.G. Avery, M.G. Doubleday, R.S. Cox and J.M. Forbes have service agreements with the Company. These agreements run for a food period until the 31st December 1989 and confine thereafter but may be terminated by either party giving not less than 12 months notice to expire on or after 31st December 1990.

The remuneration payable under these agreements is as follows: Commission on adjusted profits £35,000 R.M.G. Avery 574 M.G. Doubleday £21,000

£18.928

J.M. Forbes £15,000 J.M. Forbes receives a commission of 31/2% on the adjusted profits before tax of the Scottish office. R.M.G. Avery receives a pension contribution of £10,000 per annum.

- Save as disclosed in (a) above there are no existing or proposed service agreements between any of the Directors and the Company or TPSI which cannot be determined within 12 months by the employing company without payment of compensation (other than statutory compensation).
- The aggregate emoluments of the Directors in respect of the financial period ended 29th December 1985 amounted to £232,000 (inclusive of bonus, pension contributions and other benefits). The aggregate emoluments of the Directors in respect of the current financial period ending 28th December 1986 are estimated, under the arrange in force at the date of this document, to be approximately £194,000 (inclusive of bonuses, pension contributions and other benefits).

6. Premises

TPS's business is conducted from the following locations:—

- Lessehold office premises at 25 Buckingham Palace Road, London SW1, comprising 2,100 square feet, which is the Head office of TPS. The premises are held on a ten year lease expiring on 31st October 1987. The annual rent payable is £21,750.
- Leasehold office premises at 31-33 Hopetoun Road, South Queensterry, West Lothian, Scotland, comprising 3,000 square feet, which is the Scottish office of TPS. The premises are held on a five year lease expiring on 14th May 1990. The annual rent payable is 26,000.

7. Placing arrange

By an agreement ("the Placing Agreement") dated 1st May 1986 made between the Directors (1) the Vendors (as therein defined) (2) the non-Vendor Shareholders (as therein defined) (3) the Company (4) and Schroders (5), Schroders has agreed, subject to the admission to the Official List by the Council of The Stock Exchange of the Ordinary Shares becoming effective not later than 15th May 1986, to subscribe or procure subscribers for 857,143 Ordinary Shares and to purchase or procure purchasers for a total of 1,115,138 Ordinary Shares, in each case at 140p per Ordinary Share.

Under the Placing Agreement: The Vendors have agreed to sell the following numbers of Ordinary R.M.G. Avery 1,000,000 72,280 14,286 Investors in Industry plc R.S. Cox M.G. Doubleday 14.286

J.M. Forbes 14,286 The Directors have given, on a joint and several basis, warrantiles concerning the accuracy of this document and the affairs of TPS and, on a several basis, an indemnity to the Company in respect of certain taxation liabilities.

- Each of the executive Directors has agreed, save as set out in (a) above, not to sell, transfer, grant any option over or otherwise dispose of any Ordinary Shares held by them before 1st May 1987 and R.M.G. Avery has agreed not to sell, transfer or dispose of more than an aggregate of 50% in nominal value of the Ordinary Shares held by him immediately following the Placing before 1st January
- The Company and the Vendors have agreed to pay to Schroders a commission of 114% on the Placing price plus VAT thereon (in the case of the Company on the total value of the 857,143 Ordinary Shares subscribed and in the case of the Vendors on the total value of the 1,115,138 Ordinary Shares purchased) out of which Schrodiers will pay a commission to Cazenove & Co. The Company has agreed to pay all other costs and expenses of and
- ncidental to the Placing and the admission to listing including a fee to Schroders and Cazenove & Co.
- As part of the Placing arrangements employees of TPS have indicated their intention to purchase an aggregate of 1,285 Ordinary Shares at the Placing price.

8. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or TPSI in the two years immediately preceding the date hereof and may be or are

- An Agreement dated 19th April 1984 made between C&D Inc (1) R.M.G. Avery (2) and C&D UK (3) being the share purchase agreement (1the Share Purchase Agreement) whereby C&D Inc granted an option to R.M.G. Avery to purchase the shares of C&D UK for a consideration of US\$2.6 million.
- An Agreement dated 13th July 1984 made between R.M.G. Avery (1) C&O inc (2) and the Company (3) whereby the parties agre terms upon which the Company acquired the shares of C&D UK pursuant to the Share Purchase Agreement and further agreed that the Company should have the full benefit of the representations and warranties (as to the tracing position and liabilities of C&D UK) and the indemnity (as to the taxation liabilities of C&D UK) given by C&D Inc pursuant to the Shere Purchase Agreement, R.M.G. Avery remained solely liable in respect of the trading warranties and tax indemnity given by him to C&D inc under the Share Purchase Agreement and the Company assumed no liability in respect of such warranties and indemnity.
- An Agreement dated 13th July 1984 expressed to be made between Candover Investments Limited. The British Petroleum Pension Trust Candover Investments Limited, The Candover Investments Limited, Murray Ventures PLC, Prudential Assurance Company
 Limited, Murray Ventures PLC, Prudential Assurance Company Limited, investors in industry pic, Electra investment Trust PLC, Alliance Assurance Co. Limited as Trustees of the Hoare Candover Exempt Fund ("the Investing Institutions") (1), R.M.G. Avery, M.G. Doubledey, R.S. Cox, J.M. Forbes ("the Managers") (2), C.R.E. Doubles, N.S. Cox, J.M. Forces (the managers) (2), C.H.E. Brooke, P. Baldwin (the Non-Executive Directors) (3) and the Company (4) being the subscription agreement (the Subscription Agreement) whereby the Investing Institutions agreed to subscribe at par for 850,000 Preference Shares of £1 each and 250,000 erred Ordinary Shares of £1 each in the capital of the Company subject to the conditions set out concerning the completion of the Share Purchase Agreement and on the besis of the warranties provided therein by the Managers. The Subscription Agreement further regulated matters concerning the shares, management and faither regulated matters concerning the analog, the powers of the financial arrangements of the Company and set out the powers of the Non-Executive Directors and the obligations of the Managers.
- A Discharge Agreement dated 1st May 1986 made between the same persons as are parties to the Subscription Agreement being the agreement whereby the parties agreed to set aside the Subscription Agreement.

Sales directed by Philip field and Blood directed Verbooke: le legal of Billie has
be legal of Billie has
by limiter Robins
by limiter Robins
in directed by Kan Med

Financial Times

We have all seen, and those IV news the min up once a decade min up once who classed to "think" ments and this mireculous with this mireculous with this mireculous with the limit of the l the subject claims to the subject claims of the subject claims to risk the subject claims the subject claims to risk the subject claims the subject claims to risk the subject claims to risk the subject claims to risk the subject claims the subject claims to risk the subject claims t Eprimate of the months terms 10 thattes Catherinal SUFFERING in the Shadin with the playwright Snoo Without playwright Snoo Without playwright and directed least and dir Strike (of TV's Bous) Strike (of TV's Bous) Black Study, Anthon park the parametrial the seeks to have bought firming takent for the money for a second operation. There is a second operation. endition he itsists. mi work for political mi word and Alia. 1
(fillie Whiteless and Hepion), dragging, Mr peir laboratories and their imaginary moust best that. And soon, t they do and he is. This being the idea

govies are in Cioristi and crisial clear, apar largesse of dots as if is by Roy Liebterstein D What is not crystal-clea the movie tracif to abe can-Candide hero, an cucifed by m.l.:ary se unnaled peli-meil thre fining everything from submatices in Sir Vernee's hanky panky me daughter (Masue tient scout tyroon i disovers Stadey), the ilm seems like an Orgellian pesagora littes of more than it or be chewed by. In or around the # to confuse us further, also a goof) Beigraul (Eatherne Helmond

d cicema, Shades a

What can a director figato, a work so lar resistant to the chainod ng school of opera tion (and that is not as a challenge)? Car strongly as possible and straight — what the about is right there Surface — and that is less what John Cox has TO DOW ELECTION FOR Opera, which was ray received on Wednesda audience that perhaps More than its fair shar other in recent mionich

was under the wise gui-Gorgy Fischer. Af turiously dull Cost 16 was good to hear dozartian back on to drawing crisp and shap

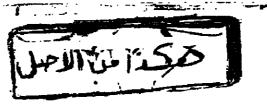
And of course get the right, which it most

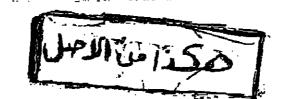
An agreement dated holders of the Prefer (2) whereby, como Company season and by the Council of The effective not batter th purchase and such Companies Act 198 Company for an ago The Placing Agreem 9. Taxation

> Company may not or income and Company been advised that Company's profits i Schedule 16 of the F When Daying a Gw Revenue an amount which is releted to 29/71sts of the Car dividend plus the AC Faid & avadable pa are so resident may abbiobiate cases

> The Directors have

received whether esident in countries the Inland Pleverus lividends on such el any double tax conv countries and the La Consult their own to credit may be claime





THE ARTS

Cinema/Nigel Andrews

Too shady a picture of paranoia

Shadey directed by Philip Saville Flesh and Blood directed by Paul The Jewel of the Nile directed by Lewis Teague The Legend of Billie Jean directed by Matthew Robbins Zine directed by Ken McMullen

We have all seen, have we not, those TV news items—they turn up once a decade or so-about people who claim to be able to "think" mental images onto film? The only problem with this miraculous psychic fest is that the images are usually unrecognisable. What the subject claims to be a thought-image of Chartres Cathedral tends to resemble a collision between two giant sheep at dead of night on a force motorway: while a

foggy motorway: while a thought-image of the thinker's mother tends to resemble Chartres Cathedral.

Chartres Cathedral.

In the "surrealistic black comedy" Shadey, written by playwright Snoo Wilson (of The Beast) and directed by Philip Saville (of TV's Boys From The Black Stuff), Anthony Sher plays the paranormal hero, a mild-mannered young bankrupt who seeks to hire out his thought-filming talent in return for the money for a servebage thought-filming talent in return for the money for a sex-change operation. There is only one condition, he insists. He will not work for political or military espionage. Aha, cries MI5 (Billie Whitelaw and Bernard Hepton), dragging Mr Sher into their laboratories and twirling their imaginary moustaches, he their imaginary moustaches, he will not will he, we will see about that. And soon, of course, they do and he is.

This being the ideal world of cinema, Shadey's thoughtmovies are in glorious colour and crysteleisters agant from

and crystal-clear, apart from a largesse of dots as if influenced by Roy Lichtenstein paintings. What is not crystal-clear is what the movie itself is about. The more our modern-day Christcum-Candide here, an impocent crucified by military science, is trundled pell-mell through the corridors of power, thought-filming everything from Russian submarines to Sir Patrick Macnee's hanky panky with his own daughter (Macnee is the talent scout tytoon who first discovers Shadey), the more the film seems like an essay in Orwellian paranois that has bitten of more than it can chew or be showed by. In or around the main plot.

oil rig school of opera produc-tion (and that is not intended as a challenge)? Cast it as

strongly as possible and play it straight — what the piece is

about is right there on the surface — and that is more or

less what John Cox has done in

less what John Cox has dene in his new staging for Scottish Opera, which was rapturously received on Wednesday by an audience that perhaps has had more than its fair share of the other in resent months.

2.0



Making up an image-Anthony Sher in Shadey

Macnee) whose activities include eating coal from the fireplace, trying to drown herself in the sea and stabbing Shadey in the genitals. There is Macnee's daughter (Leslie as macnee's daugnter (Leslie Ash), a model who acts in kinky TV commercials. There are Ms Whitelaw and Mr Repton, a sexually ambignous duo of mannish lady medico and epicene espion. And there is a narrative that oscillates between fantasy and reality with very little conviction in either mode.

If directed at a consummately deranged lick by Ken Russell, or in deadpan-Piranesian style by Terry Gilliam, the whole thing might have worked. But the film has no stylistic unity or momentum, and no clear allegorical purpose beyond the obvious pot-shots at political power-play and deplicity. The only thought-processes I should like to see transferred to film are those of the moguls who choose, bravely but aberrantly, to bankroll it.

phrase and instrumental colour that he was fully aware of what

the music is implying both about the action and through

it. This was most distinguished

Mr Cox's production was

Mr Cox's production was character on stage, a resource-focused tightly on the four ful, tough, hugely likable

And of course get the music right, which it most certainly was under the wise guidance of Györey Fischer. After the curiously dull Cost for WNO, it was good to hear this fine Mozartian back on top form, drawing crisp and shapely play-

Flesh And Blood is slightly less bonkers than Shadey. But only slightly. "Come on, you bloody bastards, this stuff'll curl the hairs of Christ!" cries pregnant campfollower Susan Tyrell, waving a galligaskin of wine at her page.

waving a ganigasin of wine at her pals in a mediaeval besieging army. Soon a splinter group of malcontent mercen-aries, led by Rutger Hauer and including Miss T, have charged off into the countryside, peeved at being robbed of their looting privileges after victory by their leaders.

Tyrell delivers a stillborn child. A beautiful princess (Jennifer Jason Leigh) is kidnapped and gang-raped by the gang. A nutty priest (Ronald Lacy)

The Marriage of Figaro/Theatre Royal, Glasgow

Rodney Milnes

through the medium of Mozart.

With the principals we were

on safer ground. Isobel Buchanan very rightly pre-sented Susanna as by far the most aware and intelligent

tured and half-stabbed and halfburned to death.

With films like this, who needs World War III? Ever and anon Dutch director Paul Verhoeven (of Soldier of Orange and The Fourth Man) varies the blood and thunder by putting a poetically memorable image up on the screen. As with the flaming hangman's noose that Hauer's band witness in the sky and in which they descry evil things to come; having been brought up, no doubt, in the belief that no noose is good noose. But Ere long, it is all happening no noose is good noose. But out there in the country. Miss elsewhere poetry is in short supply, being supplanted by much rabid action hyperbole and much near-certifiable co-production dialogue.

I wish I could extend relief to your fevered brow by speakstabs an unbeliever through the thorax. The gang brutally seize a castle and defend it against Nile, an all-action follow-up to the princess's pursuing Dad. Romancing The Stone. But this Bits of dismembered plague dog romp, after sending palpitations also a goody Belgravian wife. In a week's films not noted burning castle. The princess's planted bomb explosion in for the (Ratherine Relmond as Lady for their high degree of sanity, fiance (Tom Burlinson) is cap. Cannes harbour, spirits roman-home.

between natural ebullience and

dumb, resentful insolence shar-pened by the fact that news of the threat to his manhood was delivered in front of the other

tic novelist Kathleen Turner and adventurer Michael Douglas into the beart of the Sahara for a long and painful seizure of a movie yarn. Amid the burning sands an Arab dema-gogue threatens to take over the world, or as much of it as he can in the 107 minutes before the end credits mercifully intervene.

All resemblances between this Arab demagogue and any real-life Arab demagogue are purely coincidental. So are all resemblances between this film and Romancing The Stone. The wit, charm and exoticism of the first Turner-Douglas romance are here replaced by a slam-bang-thank-you ma'am series of knockabout turns—a fight on a train, a runaway plane, many a pratfalling display by the dismally unfunny Danny De Vito—and by direction that is witless, graceless and relentless throughout.

At least The Legend Of Billie Jean, a tale of teenage revenge in the American South, goes about its business without unflorid blood-letting or frantic tongue-in-cheekery. The Billie Jean of the title (played by Helen "Supergirl" Slater) is not the famous racket wielder but a small-town teenager who goes on the run—with her brother and two girlfriends—when a store-owner is shot after a difference of opinion concerning a vandalised motor species (her brother) and a scooter (her brother's) and a near-rape (hers). Picking up a mock hostage en route (Keith Gordon as a boyfriend who agrees to be tied up) and sending video declarations of their innocence to the TV and police stations they hope to return to the arms of society as fully vindicated fighters for justice.

A missing page in the press hand-out prevents me from com-mending the writer and director by name, but the film is sharp, credible and refreshingly lively.

Not so Ken McMullen's Zina, which moves at the pace of a stunned tortoise. Leon Trotsky (Philip Madoc), Trotsky's daughter Zina (Domiziana daughter Zina (Domiziana Giordano) and Zina's psycho-analyst (Ian McKellen) crawl through austere historical tableaux and dialogue scenes of Delphic obscurity, as Zina's personal traumas are interwoven with those of the political century. The acting is minimal, the script is impenetrable, the to bankroll it.

The catapulted over the walls.

Also Tyrell throws up and dies.

Hauer imprisons Leigh in the with an early scene of an Arab
burning castle. The princess's planted bomb explosion in for Turkey, I left the cinema for planted by the script is impenetrable, the packing for the Cannes festival camerawork is torpid, and with an early scene of an Arab
burning castle. The princess's planted bomb explosion in for Turkey, I left the cinema for planted by the control of the script is impenetrable, the cannot camerawork is torpid, and the control of the script is impenetrable.

The Winter's Tale/Stratford upon Avon

Martin Hoyle

The strengths and defects of this quirky, likeable and stream-lined production (150 lines cut, but pace has more to do with buoyancy than mere length), are epitomised by the shep-herd's dances. Whether Autonerd's cances. Whether Autolycus is tangoing or the peasants romping round to a distant variant of "We're in the money," Terry Hands' direction is visually striking, high-spirited, not too sure of its styles and slightly untidy. It is also faceling and enville is also fascinating and moving.

We first see the court of Sicilia through white gauze to the haunting minor key tinkling of Nigel Hess' wintry music. Regency costumes are white-tail coats boots and all. The floor is covered by a vast polar bear skin, whose huge head glares out at the audience, the play's softness and savagery personified.

Interest soon centres on jealous Leontes. Jeremy Irons plays him as Hamlet in manic mood, twitchy, restless, whimsical and nervy. He can assume rueful humour, as when he focuses on us for a quizically camp "I am a feather for every wind that blows." That would not disgrace Frankie Howerd. Torn by paranoia, his humour ranges from merely mocking mischief to cruel irony. He

prowls up and down before pouncing with, "She's an adulteress." Frantically scratching his head, biting his noils at Hermione's labour pains, by the play's end he is in a wheelchair, the odd involuntary twitch dangerously recalling Peter Sellers' mad scientist in



Penny Downie and Jeremy Irons in The Winter's Tale

Strangelove and looking alarmingly like Mr Richard Branson. Gerard Howland's set and Alexander Reid's costumes are often beautiful and always eye-

boots and hood. The giant bear rears 20 feet or so over poor Antigonus before sagging disappointingly into a hearthrug. After an initial bear disguise, Autolycus is disguised as a Turkish peddlar (astride a stuffed white angora goat on wheels), while the peasants, all pantaloons and waistcoats (mustard, fusset, red) locate Bohemia in Asia Minor.

Colour is used carefully throughout. For the oracle scene white is splashed by crimson capes and sashes in Napoleonic consular splendour. The final scene finds the actors in different shades of blue, from midnight crushed velvet to ultramarine chiffon, Elegiacally paced, Hermione's statue des-cends from the pedestal not before a boggling court but to an intimate circle of old friends and loved ones; and is marvellously moving.

Penny Downie doubles as mother and daughter. A loving, no nonsense Hermione, she looks slight too old for Perdita though sweet but unsickly, spirited and fresh. Nathanial Parker is a positive and stylish

Gillian Barge slightly exag-gerates Paulina's eccentricity, gerates raulina's eccentricity, too consciously a character. Paul Greenwood's Polixenes is puny in rage, filmsy in authority. He could do with a lesson from Bernard Horsfall's regal old shepherd. Joe Melia's Autologica is additionally and the could be provided to the constant of the could be provided to the could be pre Autolycus is oddly muted-unintelligible song settings are no help. But the whole cast may find its feet with repetition. catching. We meet the young A fascinating and likeable pro-shepherd in white fur eskimo duction.

Baal/Almeida Theatre

David Murray

Brecht wrote the first version Bohemian), and it has no con- Rilary Dawson is a moving of Boal when he was 20, and vincing English equivalent. Sophie, the longest-running it is a truculent self-portrait --the poet as irresistible monster. Baal offends and titiliates bourgeois patrons, is casually cruel to all the women he acquires with rampant ease, lives and dies scrofulously, and emits poetic images non-stop. There is no social critique whatever; any audience is expected to find what Baal does appalling, and

the implied retort is "So what?" What Baal says, the string of sudden perceptions turned into words and flung into the air, is crucial, and the Leicester Haymarket Studio has sensibly commissioned a fresh translation from the poet Christopher Logue. But a culture-gap remains: the rhetorical-ironicalfantastical monologue in German theatre goes back as far as

vincing English equivalent. Here, Michael Bray's Baal sion whenever the poetry looms up, but it never sounds freshminted — and besides Beach and desides Bea minted — and besides, Brecht ate. David Fielder is differ-trades upon the magical weight ently sharp in several parts, of some simple words (like notably as the cool village colour-adjectives) that have no priest who defuses one of Baal's such Affekt in English. The result is that Baal-the-

poet remains out of focus. It does not help that Bray seems basically a nice boy, even cleancut. especially among the bour-geois grotesques with whom we first meet him. (Nothing be-comes him like the surface dirt he accrues for the second half.) He is never a real monster. are there lightning-flashes in his poetic afflatus.

Buchner's Woyseck and Danfill many roles, as unevenly as animal vitality (even in verbal
tons Tod (and is still the stockBrecht wrote them, from sharp
in-trade of many a student sketches down to Mummerset, it isn't.

Sophie, the longest-running and most abused of Baal's meaner japes, and John Baxter transfers efficiently from wellbred young acolyte to odder characters.

Stephanie Howard's designs permit each of the many scenes to slip swiftly into the next, and the director Nancy Meckler has ensured a clear narrative line-Establishment splash, wilful decline and visionary ruin. for his lucid snapshot of the in his poetic afflatus.

The other six Leicester actors pre-Marxist poet, rudely selfish ideals and all. All the same.

Evita/Opera House, Manchester

B. A. Young

What can a director do with, ing from the orchestra, pacing she afford that frock?). These perhaps because both were the audience if the action is not Figoro, a work so far fiercely each dramatic paragraph with figures may be firmly rooted in guests from Covent Garden and to stray into areas of black and unobtrusive skill, and showing the commedia but can surely were still not used to the white rather than interesting oil rig school of opera production with his care for individual yield more in the way of depth smaller house—their tone was grey. The Count as presented America to spend a week super-vising the direction of Evita, here compromised the creditoo forceful, almost hectoring here compromised the credi-at times. Roderick Earle's bility of the denouement. A Figaro caught a fine balance puppy, not a full-grown Doberwith two lady assistants. The production is as splendid as it was in London, with the dextrous designs of Timothy Such matters of nuance can change from performance to performance. What cannot change, alas, is the curiously O'Brien and Pazeena Firth and principal characters, almost to a fault. Some of the subsidiary roles were particularly many a stock way recalling many a branks. The count is the top, cleverly covered, not stock way recalling many a withstanding), sharing vocal Brank-X Figoro over the last honours with Margaret Martin and the country of the country of

lighting by David Hersey. Larry Fuller's clever choreo-graphy, with its cunning use of contrasting bodies of dancers in juxtaposition, makes the most of a fine team of dancers. There is a good 25-piece pit band under Stephen Hill. All this inventive wit in the production is the key to Evita, for I do not very much admire Andrew Lloyd Webber's music

has not inspired the composer to the earlier levels we remember. Harmony and melody are never adventurous. There is seldom a pleasing legato phrase to let the singers show off their voices. The only way to interpret a Lloyd Webber song is to treat it as dialogue; to sing it is only to sing the notes.

Possibly this is Mr Lloyd same acute exactness, the same lack of tenderness that we have heard in his other leading singers (if we except Alcd Jones). Jimmy Kean's Che is to look at, and the Manchester with Diana Montague's now draped statue in the first act said) does the production as a Andrew Lloyd Webber's music heard in his other leading Let no one be put off by singers (if we except Alcd first act said) does the production as a Andrew Lloyd Webber's music heard in his other leading Let no one be put off by singers (if we except Alcd detractions. Evita is wond consistent vocal pleasure, it was spire a degree of sympathy in was sung in good, clear Italian. affairs instead of legend. Tim

Harold Prince has come from Rice has abandoned poetry for dialogue, and making them merica to spend a week super-cliché-ridden doggerel, which come out very well. As Peron, come out very well. As Peron, Michael Bauer has a true operatic voice, but is not given much to do with it.

There is only one real singing part, Magaldi the entertainer, but his song, "On This Night of a Thousand Stars." is a parody, and Robert Farrant does what he can. I was impressed by 16-year-old Marsha Bland as Peron's mistress. She Webber's preference, for all his chosen sungers sound much alike. The shapely, brisk Kathryn Evans as Evita has the same acute exactness, the same acute exactness, the same acute exactness, the same acute exactness, the same acute exactness that she was what Tim Rice

An agreement detect 1st May 1986 between the Company (1) and the holders of the Preferred Ordinary Shares of S1 each in the Company (2) whereby, conditional upon the ordinary share capital of the Company issued and to be issued being admitted to the Official List by the Council of The Stock Exchange and such admission becoming effective not later than 15th May 1986, the Company has agreed to purchase and such holders have agreed to sell, pursuant to the Companies Act 1985, all of the Deferred Shares in the capital of the Company for an aggregate consideration of £174.98.

The Placing Agreement referred to in paragraph 7 above. (1)

The Directors have been solvised that, following the Placing, the Company may not continue to be a close company as defined by the Income and Corporation Taxes Act 1970. The Directors have further been schised that in respect of the peace since incorporation the Company's profits are not apportionable under the provisions of Schedule 16 of the Ference Act 1972.

When paying a dividend, the Company has to remit to the Inland Revenue an amount of advance corporation tax ("ACT") at a rate merchant an amount of the basic tate of accome tax and is currently which is related to the basic tate of accome tax and is currently 29/71sts of the dividend paid. Accordingly the ACT related to a dividend currently equals 29 per cent, of the sum of the cash dividend currently equals 29 per cent, of the sum of the cash dividend plus the ACT. For shareholders resident in the LIK, the ACT paid is available as a tax credit, which intividual shareholders who part is available may set off against their total income tax liability or, in appropriate cases, reclaim in cash. A LIK resident corporate propriate users, recently in bearing of leaven any dividend received. Whether holders of shares in the Company who are resident in countries other than the LIK are entitled to a payment from the inland Revenue of a proportion of the tax credit in respect of dividends on such shares depends in general upon the provisions of eny double tax convention or agreement which exists between such countries and the LIK. Persons who are not resident in the LIK should countries and the UN. Pareuts who are not resident in the UK should consult their own tax advisers on the possible applicability of such provisions, the procedure for claiming payment and what relief or credit may be claimed in the jurisdiction in which they are resident for

such tax credit. Special rules would apply under current UK tax legislation to any capital distribution.

The Company has received clearance under Section 464, Income and Corporation Taxes Act 1970 in respect of the Placing.

18. Working capital

The Directors consider that, taking into account the net proceeds of the issue of the new Ordinary Sharea and existing bank balances and facilities, the Group will have sufficient working capital for its present requirements.

The costs and expenses of, and incidental to, the Placing including the cost of the application for listing of the ordinary share capital of the Company, the accountancy fees and the Company's and Schroders' legal fees, the costs of printing and advertising, the fees and expenses of the Registrars and the fees and commissions payable to Schroders and Cazenove & Co. are estimated to amount to £290,000 (exclusive of VAT) and are payable by the Company. The total remuneration of Schroders and Cazenove & Co., including commissions, amounts to £97,000 (exclusive of VAT).

There are not and have not been during the previous twelve months any legal or arbitration proceedings pending or threatened against the Company or its subsidiery which may have or have had a significant effect on TPS's financial position during the previous

The promoters of the Company were Candover Investments pic of Gedric House, 8-9 East Harding Street, London EC4A 3AS and R.M.G. Avery. Payments and other benefits received by the Promoters from TPS up to the date of this document are set out

Promoter R.M.G. Avery Emoluments aggregating

Candover investments pic

A financing fee in connection with the management buyout of £40,000 plus VAT.

man, is what is needed.

the quartet. In the person of decidedly Hollywood-in-the-Jonathan Summers he was not Thirties view of 18th-century

just amiably randy, more a computer status and status in the first act said) does the production as a warned us; fair enough, but the whole. But there are worse character must be able to increase of supports in the status in t

Director's fees (for the services of C.R.E. Brooke as a non-e director) of £9,000 plus VAT.

Gmss dividends (pari passu with other shareholders of the relevant classes) amounting to £13,129 and £12.513 in respect of its holdings of Preference Shares and Preferred Ordinary Shares

Of the shares being placed, 493,071 will be made available to the public.

The sole subsidiary of the Company is TPSI, formerly C&D UK, a private company incorporated in England on the 5th March 1974 with an authorised share capital of £1,000. The present issued capital of TPSI is \$2,000 divided into 1,000 fully paid ordinary shares of £1 each and 1,000 fully paid 3 per cent. non-cumulative preference shares of £1 each. TPSI is a wholly-owned subsidiary of the Company, has its egistered office at 25 Buckingham Palace Road, London SW1W 0PP and is the operating company of the Group.

Touche Ross & Co, have given and have not withdrawn their written consent to the issue of this document with the inclusion herein of their name and report and the references thereto in the form and context in which they appear.

There has been no significant change in the financial or trading position of the Company or its subsidiary since 29th December 1985.

The accounts of the Company for the period from 11th April 1984 to 30th December 1984 and for the year ending 29th December 1985, and the accounts of TPSI for the 5 years ended 29th December 1985. have been audited by Touche Ross & Co.

For the purposes of Section 255 of the Companies Act 1985 the financial statements set out in this document are not full accounts. Full accounts of the Company and TPSI for all relevant periods up to the year ended 29th December 1985 have been delivered to the

Registrar of Companies. The auditors have reported under Section 236 of the Companies Act 1985 on each set of accounts so deli and all such reports were unqualified.

The nationality of origin of Mr R. M. G. Avery, who is a citizen of the United States of America, is British.

The Company is registered under the Employment Agencies Act 1973 and has applied for registration under the Data Protection Act

Schroders, a member of the Issuing Houses Association, is a limited company incorporated in England and registered under number

The Directors are of the opinion that the Group carries reasonable

insurance cover for all major risks facing the Group which would be expected to be the subject of insurance cover,

Copies of the following documents may be inspected at the offices of Baldwin & Co., 26 Bedford Row, London WC1 during usual business hours on any weekday (Saturdays and Public Holidays excepted) for a period of 14 days following the date of this document:-

the Memorandum and Articles of Association of the Company;

the material contracts referred to in paragraph 8 above;

the Directors' service agreements referred to in paragraph 5 above:

the written consent from Touche Ross & Co. referred to in paragraph 11 above;

the report of Touche Ross & Co. reproduced herein and their statement of adjustments;

the audited consolidated accounts of the Company for the period from its incorporation to 29th December 1985 and the audited accounts of C&D UK for the 3 years ending 25th December 1983 and for the period from 26th December 1983 to 29th April 1984; and

the rules of the Executive Share Option Scheme,

Dated 1st May 1986

CHEMICAL PRICES IN EUROPE

The great EEC paper chase

By Paul Cheeseright in Brussels

Friday May 2 1986 **Prisons**

SOME OF the worst rioting, some cases, an absolute cut in arson and anarohy seen in Britain's prisons since the Second World War is a sign of a deep-seated malaise in the of a deep-seated malaise in the country's penal system. The Government has talked long and often about the importance and often about the importance ture of pay is based on the country of long hours of has not thought sufficiently hard about the reform of its prison

on fire

The immediate priority for average of three-and-a-half.
Mr Douglas Hurd, the Home Secretary, is crisis-management: If Mr Hurd is to restore the missing trust between prison officers and senior management stance and a cool temper with-out making unwise concessions to the prison officers. In the longer term, a thorough over-haud of prison management is

As one prison governor recently remarked, at the bottom of the dispute lies a complete breakdown of trust between the uniformed footsoldiers who actually guard prisoners and the upper echelons of the service. The prison officers seem to believe that the senior managers, who are trying to impose new financial discriptions have no idea of cial disciplines, have no idea of way to improve the running of what life is like at the sharp prisons. end. There may be some truth in this: tension in many prisons is running high because of over-crowded cells and Victorian sanitation. Some of the opposition to lower manning levels may indeed reflect sheer fear on the part of prison officers.

Financial stringency

ticularly powerful union and it is that British prisons are more has established over the years crowded than ever before. The has established over the years a quite unacceptable degree of influence over how prisons are an ambitious programme to run. Both prisoners and taxpayers suffer because of the payers suffer because of the problem of overcrowded cells problem of overcrowded cells may persist into the 1990s. prevalence of uneconomic res-trictive practices in Britain's may persist into the 1990s. jails. The Government is right to insist on management's right ity is to ensure that there is not to manage

spending is being demanded. Prison officers are facing big cuts in the number of hours of

assumption of long hours of overtime—the average is 16 hours a week against a national

and at the same time introduce rational and flexible working practices he may have to grasp the nettle of low basic pay for what is by most standards a hazardous and demanding job. If basic pay were improved and prison officers given the same assurances about inflation adjustments and so forth that have been given to the police, the excessive reliance on overtime could be reduced without the threat of lower living standards for warders. A carrot and stick approach, rather than pure stick, might be a better

Immediate priority

The disorder in prisons is not just a function of pay and working practices. It is also a reflection of an apparent inconsistency in the Government's approach to law and order. Ministers have demanded a crack-down on offenders and arrued the case for long cusargued the case for long cus-todial sentences. Yet they seem not to have made certain that On the management side, however, the exasperation is not to have made certain man equally deep-seated. The Prison there are sufficient jails to house the offenders. The result

The disorder in prisons is not

another outbreak of violent dis-The problem, however, is that it is never easy to alter long established work-patterns against a background of financial stringency. As part term requirement is a carefully of the Financial Management thought-out package of reforms Initiative, prison governors covering sentencing policy, have for the first time been set prison buildings, pay and work-

So good, in fact, that when the UK chemical group's London offices were raided on October 13-14 1983 they yielded what were to become the crucial building blocks of a major cartel-breaking case.

Nine other European chemical producers were raided that night. Their records corroborated those of ICI, so that six months later the European Commission could start formal proceedings against all the main chemical producers trading in the European Community for operating a cartel in the sale of polypropylene, It has turned out to be the

Community's biggest anti-cartel case for a decade, resulting in the biggest single fine ever imposed on a Community company — Ecus 11m (£7m) on Montepolimeri of the Mon-tedison group—and the biggest Community fine ever imposed on a British company — Ecus 10m on ICI. Fines of Ecus 9m were imposed on Hoechst and Shell International Chemical, plus smaller fines on

11 other companies. The surprising thing is that the Commission was not quicker off the mark. The Commission's own internal documents show that the cartel had been operating under its nose for six years.

The Commission is both policeman and magistrate of the Community competition rules but it did not become aware of what was going on until it started to pay close attention to the chemical trade press. That prompted the dawn raids. The commission says it found cartel members used to have plenary sessions when senior managers or technical experts would gather together to discuss price-fixing and market shares. Zurich was the favoured site used 28 times out of 55 known meetings between September 1979 and September 1983.

But there were local meet-

EXCUTIVE AT ICI are ings as well, where the cartel members met to sort out specific and local market problems, There were 43 of those known and local market problems. There were 43 of those known by the commission to have taken place between February 1982 and October 1983, the last

just nine days before the raids, Generally, executives taking part in the meetings disguised the purpose of their travelling in their internal records under the rubric of visits to customers. The meetings became regular, institutionalised over the years. But the start was more tenta-

Back in 1977, Montepolimeria. Hoechst, ICI and Shell had between them about 64 per cent of a 960,000 tonne market. The rest was taken up by ANIC Rhone-Poulenc, Huels, BASF and Linz. But capacity was expanding, new producers were coming on the market—Amoco, Hercules, Ato, Solvay, SIR, DSM, Saga (later to be absorbed by Statoil) and Petrofina. So much capacity that the market could sustain only just over a half of it, according to ICI

The only way to survive, it looked to the Big Four producers, was to work the price upwards and organise the mar-ket so that all the producers had a notch in it. In 1977, com-mission evidence shows, they took the first moves by setting DM 1.25 a kilogram as the guideline floor price for the basic raffia grade of prolypropylene: a DM 0.25 increase on the going price. Other producers were told about it and, as the commission reads it, did not

demur.

Those early contacts set the pattern. The Big Four would make the running and the rest would be drawn in behind them. The Big Four would meet before the plenary sessions of the cartel—at least seven meetings have been traced between Octo-ber 1982 and August 1983, taking place at Heathrow Airport in London, Barcelona, Vienna, Geneva twice and Zurich twice. They were the unofficial but acknowledged directorate.

based on German raffia prices letting them know of price rises and then translated into local in prospect. Company sales currencies and adjusted for the offices would not be permitted different grades of polypropy to engage in special deals with lene. A new target level would major clients without consulting be set and then the producers had to go to work to make it hold on the market. Price rises were planned Customers would be softened away demands rathe several months in advance and up through the chemical press. backtrack on the price. Customers would be softened away demands rather than

head office first. And the sales offices would be told to turn

AFTER THE GLAMOUR YEARS, THE PRESSURES OF OVER-CAPACITY

negotiations among the producers would take place to settle respective production tonnages or percentage market schares.

Reports would appear of a price offensive. This would be led would be exchanging information among themselves, closing ample, in mid-1983. Against this background, the companies this background, the companies to shop around in the search for th

ANIC.

inspected by the Commission, Hercules, the only US-based company in the cartel, sug-gested in 1982 that the system became more elaborate with the introduction of account leader- 1983.

keener prices and trading in-formation about temporary

According to an ICI document

ship. This meant that major engineers were indeptified and a leader would be designated to negotiate price independent. If the engineers in looked also where price still

Financial Times Friday May 2,1986.

would have an allotted produc-tion level, regularly adjusted to take into account market frends. But of the Big Four, in 1980, ICI was the only company which sold less than its allot-ment. ICI and Shell, at one stage in 1981, considered whether there should be sanc-tions against companies which oversold their quota. The idea was taken up again by the Big Four a year later, but not pushed.

pushed.
The production quots system remained essentially voluntary, but with the producers meeting regularly and providing information about their monthly output levels.

And relations in the cartel And relations in the cartel itself do not appear to have been particularly relaxed. The first chairman was Montepoliment, but ICI took over in 1982 and according to the commission, a stronger effort to push through price rises followed. Attitudes and actions fluctuated Among the file Four, Shell would not take part in the plenary sessions. Solvay, during 1982, seeing production and demand in balance, thought the inectings were useless. Saga

the meetings were useless. Saga was classified by other cartel members as indisciplined because it sought to be aggres - indisciplined sive on prices as a means of building up its production quota In the end, the results for

the companies were limited. It is true that by the time the Commission staged its dawn raids, polypropylene prices had doubled in Sx years, but profits remained sparse. Between 1979 and 1983, ICI, Montepolimeri, Hoechst, Huels, BASF and DSM claim to have lost collectively more than DM 1hm (£297m). more than DM 1bn (£297m) Profit margins began to look

Meltdown for Moscow's image

Soviet citizens has been placed at long-term risk by the Chernobyl nuclear disaster. These people deserve sympathy as much as, or more than, all those in eastern, western and northern Europe justifiably outraged at being given no Soviet warning or information about the world, the atavistic reasserts itself and they want the whole affair husbed up.

For the first time this year. about the resulting fall-out.
Moscow appears to have avoided

about the resulting fall-out. Moscow appears to have avoided discrimination: it kept everyone, regardless of citizenship, in the dark for as long as possible.

One does not have to disbelieve the Soviet Government's statement that in the immediate aftermath of the accident two seriously sick to know that this is far from being the end of the story. Radioactivity is not forever but it can be for a very long time. People have been eyacuated from areas "adjacent"? Air and water quality in the big nearby Kiev connurbation is said to be "acceptable." But how adjacent is "adjacent"? Air and water quality in the big nearby Kiev connurbation is said to be "acceptable." But how can one accept or measure "acceptable from a government that, four days after the world, has yet to give any precise analysis of the disaster?

Unique design

Unique design

Why has the Kremlin been why has the Kremlin been almost medievally secretive? One reason must be Chernobyl's dual use, making plutonium for weapons as well as generating electricity. It was perhaps significant that the only western countries—West Germany and Sweden—so far sounded out for advice by Soviet officials are non weapon states.

science as progress, with sectors responsible Soviet leadership such as space and nuclear power will take longer to repair.

For the first time this year, the Soviets televised live one of their space shots. One

thing in recent history to con-thing in recent history to con-jure up that nuclear spectre— and in such a way as to earn it maximum mistrust abroad.

Western Europe, only so re-cently shaken in its faith in the Reagan Administration by the bombing of Libya, now sees it-self subjected to radioactive self subjected to rautosouve fall-out without prior warning. Sir Geoffrey Howe described this mildly as "a serious lapse in European good neighbourli-

reactors.

The west's assistance would not lead it to "catch" the Soviets making bombs at Chernobyl because we already know that is part of what they do there (and they know we know). Nor could the Soviet Union be "caught" breaking International Atomic Energy Agency safeguards—it is already known to be a nuclear weapon state.

A second reason for Soviet silence is probably embarrassment at the Chernobyl blow to Soviet technology's world image. The Soviet leadership propagates an old-fashioned belief in science as progress, with sectors such as space and number names.

THE HEALTH of thousands of at its leading edge. Now that Soviet citizens has been placed they have had a massive failure

see non weapon states.

Such inhibitions on the Soviet side are ridiculous. The West would like to know, now more than ever, about the unique Soviet design of RBMK reactor as at Chernobyl to see if what went wrong there has any lessons for western civilian reactors.

The west's assistance would not lead it to "catch" the Soviets making bombs at mess."

There are also lessons which the whole western alliance will draw in the arms control field. The world is the whole western alliance will draw in the arms control field. Soviet talk of accepting on-site verification to monitor possible bans on nuclear tests and chemical weapons production look hollow when Moscow refuses any verification or monitoring of the Chernobyl the whole western alliance will draw in the arms control field.

a whole, the polypropylene dramatic scale.
cartel was a return to the It was too late, though, to
nostalgic past. Until the halt the huge investment pro-Second World War, the intersecond War, the in 1940s, put a stop to agreements entering the market. on prices and output which for ICL Du Pont and the German

eighty years.

To understand what went on in the early 1980s, it helps to recall the state of shock in which Europe's petrochemical industry had been plunged by

the recession.
Ever since the 1950s, plastics had been the glamour end of the chemicals industry.
In 1980, though, the industry was faced with its first drop in even on a cash cost basis—that

FOR ICI and the industry as demand,

majors had been the normal industry and the Commission members.

way of conducting inter- on just how severe the crash publicly to
national business for almost was. An outside view is given blame wh

and on a truly is, they were loss-making after depreciation and interest charges."

According to Chem Systems.

ICI's openness over the whole Not surprisingly, there is affair contrasts with the some disagreement between the attitude of the other cartel decision ICT's on just how severe the crash publicly to accept a measure of was. An outside view is given blame when the fines were by the London-based firm of announced last week was made by the London-based firm of chemical consultants, Chem Systems International.

The Chem Systems model of profitability ranks plants across Europe in terms of their cost base. Mr John Philpott, a consultant with the company, says "in the early 1980s, the most efficient polypropylene plants were oscillating around breakwere on a cash cost basis—that business should be conducted in

sales and market only company to acknowledge were told that that it knows what the Coming personnel were told that that it knows what me complete are individually responsible for observing this policy. And, the company says, propylene raids, ICI says, it was asked for certain information by the Commission on PVC against individuals. Nobody was tion by the Commission on PVC fired, but those responsible are and low density polyethylene.

THE COMPANIES INVOLVED

no longer in that area."

The information was duly
Shell, by contrast, says it has handed over. Since then, ICI its problems in bulk plastics, denied the "alleged infringements" from the outset. Like Hoechst, Hercules and ICI, claims to have had no contact Shell says it has seen nothing with the Commission on those obsessions with volume and market chara and room of the contract of the commission on those obsessions with volume and market chara and room of the contract of the commission on those obsessions with volume and market chara and room of the contract of the commission on those obsessions with volume and market chara and room of the contract of the contr from the Commission but a products at any time.
telex detailing the fine and the As another Europe John went out of his way to express personal regret at any large by his company.

ICI says there has been no change in its official policy, which always maintained that business should be conducted in

accordance with competition other bulk plastics. PVC and cartel was unsuccessful too. As laws. Immediately after the polyethylene Again, ICI is the the ICI chairman told his share-raids, though, sales and market only company to acknowledge holders this week, "during the holders this week, "during the period in question the European polypropylene in-dustry incurred massive losses emounting win aggregate to hundreds of millions of pounds:

products at any time.

As another European company points out, if cartels have contained in those tried too with volume and market share, and gone on price-cutting just the same. Old-style price-fixing has been tried too with a price of the contained to the con

Moscow man's clouded start **Men and Matters**

Less than 24 hours after his arrival in London, Leonid Mitrofanovich Zamyatin, the new Soviet ambassador, found himself distinctly over-exposed. Not to radiation, but to sharp questioning about his country's gigantic nuclear mishap at

Chernobyl. First, Mrs Thatcher, then the group of journalists who ques-tioned him on the pavement outside Downing Street, might justifiably have expected more

pened. For Zamyatin has been, successively, Soviet representative to the International Atomic Energy Agency, in Vienna, head of Tass, the Soviet news agency, and from 1978 until this year chief spokesman in the Kremlin's international information denutional

formation department.

But all in the way of a full, clear and authoritative explanation that Zamyatin could offer was a re-hash of the previous day's bland, three-paragraph statement from his old nutilt,



"That's a traditional bonfire

The ambassador, sitting in largest aircraft leasing company Kensington Palace Gardens, in the world, and Ryan runs it has personal cause to rue the from the shelter of the Shannon

latest damage to the Soviet Union's public image in the West. For he it was who largely orchestrated Mikhail Gorbachev's star appearances in the V'=; - and in particular the from Zamyatin.

No other Soviet official would the new Russian leader made at seem better equipped to give a last November's Geneva summit full, clear and authoritative explanation of what had happened. For Zamyatin has been, of heavyweight diplomatic of heavyweight diplomatic appointments to European

capitals.
The strategy is to woo support for Moscow. The omens just now must be less than en-

Freer air

Just one day after the Euro-pean Court of Justice weighed in with a judgment against air fares price fixing, a new airline, Ryanair of Dublin, yesterday declared itself eager and ready to break the cosy existing arrangements on British-Irish

routes.

Ryanair, from May 23, will offer 25 return flights a week between Luton and Dublin at £85 return compared with the full return of £170 at present demanded by British Airways or Aer Lingus for London-Dublin.

This is not a case of David taking on Goliath simply to pick up some free publicity in the aftermath of the court

Ryanair has been formulating its plans for more than a year and was ready with its new service before the European court came to its decision.

The company is 90 per cent owned by the Ryan family headed by Tony Ryan aged 50. He was an Aer Lingus manager for 19 years before leaving 12 years ago to start the aircraft brokerage business, Guinness Peat Aviation. It is now the

Airport tax haven. Ryan himself is very much a

background figure in the thrusting young Ryanair. But his two sons, Cathal and Declan, are respectively deputy chairman and company secretary. Both are seasoned avaition

executives.

Ryanair starts with some elderly propjets. But it has ambitious plans, says Eugene

Jardine Fleming, the Hong-based stockbroker says it costs more than \$50 a day to rent a bowler hat in Tokyo. That is a somewhat esoteric plece of market information. I fill return of £170 at present demanded by British Airways or Aer Lingus for London-Dublin.

This is not a case of David taking on Goliath simply to pick up some free publicity in the aftermath of the court ruing.

Ryanair has been formulating its plans for more than a year ing the computer operations."

ing the computer operations."
The occasion was Jardine
Fleming's debut on the

In fact, the two had some-thing to cheer about themselves by the end of the day. Their lay's trading volume was a tunning 32m shares. "Twice what Merrill Lynch got on its arst day," said Miller with a

Fair dealer

After more than five hection years of planning, Jimmy
Pattison ought to be able to
relax today when Prince
Charles and Princess Diana
formally open Vancouver's formally open Vancouver's Expo '86 World Fair. As Expo's (unpaid) chairman

the controversial Canadian entrepreneur is given much of the credit for transforming a costly, strife-torn project, that once threatened to become the

ambitious plans, says Eugene
O'Neill a former merchant
banker who is md, and will
move quickly to pure jet aircraft to give the established
carriers a real run for their
money on the London-Dublin
route—which is the busiest in
Europe after London-Paris.
Flying its relatively modest
service from Luton Ryanair is
looking to win 10 per cent of
the market within a year. It has
set its sights on 30 per cent
eventually.

Hat tricks

Jardine Fleming, the Hongbased stockbroker says it costs

hand today to greet the Royal couple.

The Jim Pattison Group, wholly-owned by its founder. now has an annual turnover of more than C\$1bn. Shrugging cff criticism that his many businesses will benefit hand-somely from Expo contracts, Pattison has worked tirelessly to make the fair a success. He even flew three times to Havana in his private Lear jet to persuade the Cubans to take a stand. stand.

Kick start

Sick of those dream-piercing electronic squeals from your alarm clock? Casio's latest idea is a bedside robot that stamps its feet -- an innovation the copy-writers describe as a "hilarious solution to alarm clock blues."

Observer

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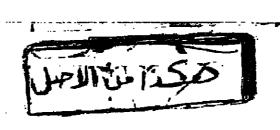
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advice Rose Mr S. Lyon Sr.—Robert McCrimel (April 24) knows from h expensence of Econolist

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THE AGENDA at this year's Western summit, which opens in Tokyo on Sunday, is only too predictable, and so are the likely contributions of the participants.

participants.

On the political front, the question of terrorism will share top billing with the disaster at Chetnobyl. They will come before East-West relations, arms control and Afghanistan. The Americans will again press allies for more vigorous pressure on Col Gadaffi; the Enropeans will noint to their Europeans will point to their recent agreement to restrict the Libyan People's Bureau, as well as to their expulsions of Libyan diplomats, but will flatly decline to engage in economic sanctions against Libys, the Japanese will

the expective evastive.

On the economic front, the Americans will call on the stirplus countries to take more expansionary action. The Japanese will boast of the Mackawa report, which calls for the stimulation of domestic demand and which few people denimind, and which few people believe is likely to be implemented. The Germans will mented. The Germans will declare that their economy is growing quite fast enough, thank you. And so to bed.

If this proves to be the result of the Tokyo summit, people may wonder whether the jambore has been worth all the trouble. Indeed, it is a question they could legitimately ask shout inneed, it is a question they could legitimately ask about most of the Western summits in the recent past. If their purpose is to work up a consensus on the co-operative management of the international economy by the legitimal

tional economy by the leading economic powers, they have been a singular disappointment, especially during the Reagan years. The last summit to have produced a real management bargain was that of 1978, when Germany and Japan agreed to take reflationary action on the "locomotive" principle; when the second oil shock came along in 1979, this bargain turned out not to have been such a good idea after all. In their book Hanging To-

gether. Putnam and Bayne argue that 1979 marked a turning point on the history of portant respects. In the first place, there was a philosophical turning away from macro-economic management to monetarism, from intervention to market forces, from growthpromotion to inflation-lighting. This philosophical posture came asturally to Margaret Thatcher and Renald Reagan; but it could only be sustained by a blank

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A COLUMN TO SERVICE SE

FOREIGN AFFAIRS

The illusion of an Asian alternative

By Ian Davidson



This may seem a thoroughly constructive development. If the world is disturbed, it is right that the leading Western governments should talk about The interaction between politics and economics, always undeniable, is often the cause of friction: for example, the US trade sanctions after the crack-down in Poland. Japan's economic influence on world affairs is now so great that it ought to play a commensurate ought to play a commensurate political role; yet there is no convenient forum, which is both multilateral and small, for bringing in the Japanese, apart from the annual Economic

from the annual Economic Summits.

In 1981 four foreign policy think-tanks, from Britzin, France, Germany and the US, strongly urged the case for closer Western political consultation in the face of an apparently dangerous world; and though the main weight of their analysis was on the Nato link between the US and tern summits, in two im-link between the US and ant respects. In the first Europe, their report also recom-mended that the seven-nation mended that the seven-nation summits should from now on be devoted at least as much to political and security concerns as to economic ones. . . The poli-tical/security discussions should be about fundamentals. They should centre on conceptual issues and overall strategy rather than the more tactical



Five years later, one can say duced much movement, if any, that the recommendation was easier to make than to follow.

The political discussions at the There may be several ex-

seven-nation summits have al-ways been about tactical and technical questions, and never about fundamentals or concep-tual issues. There has been little or no convergence in perceptions or strategy: the 1982 Versailles summit was wrecked by acrimonious trans-Atlantic disagreements over East-West trade in the wake of the Polish

strategy or tactics.

There may be several explanations for this. First, any group of Western countries which includes the US is almost bound to be dominated by the US; and friction is liable to be most acute with an Administration whose foreign policy in-stincts are, to say the least, uncompromising. Second: US dominance could

in theory be offset, if the European participants were only be sustained by a blank rather than the more tactical trade in the wake of the Polish (IIS denial that its large and growing budget deficit, and its high interest rates, could possibly be having any adverse impact on the rest of the world.

In the second place, there was a marked increase in the emphasis given to political issues. The steep deterioration is East-West relations; the failure of the US to rathly the second Strategic Arms Limits—to consultations, but so far the states and technical questions which are the staple of Nato and When President Reagan was with the following year, asked, after the Williamsburg saked, after the Williamsburg saked, after the Williamsburg saked, after the Williamsburg summit the following year, whether he had changed any of his own views as a result of the mentation." In addition, the discussions, he replied with discussions, he replied with discussions, he replied with discussions are too his own views as a result of the mentation. In addition, the discussions, he replied with discussions and implessions. The steep deterioration of a new Principal in the root to fall in with American leadership, or else united in insisting on an alternative point of the Martin American leadership, or else united in insisting on an alternative point of the Martin American leadership, or else united in insisting on an alternative point of the discussions are too his own views as a result of the mentation." In addition, the discussions, he replied with discussions are too his own views as a result of the mentation." In addition, the discussions, he replied with discussions are too his own views as a result of the mentation." In addition, the discussions, he replied with discussions are too his own views as a result of the formation. The formation of a new Principal is own views as a result of the discussions are too h

But the real trouble is that the Europeans are frequently divided among themselves, and ambivalent over the uncomfortable choice between erratic and doctrinaire American leadership, and the burden of European responsibility. Thus they end up with the worst of all worlds: fractious arguments which serve to exacerbate underlying differences of underlying differences of opinion with Washington, without effectively asserting an alternative option.

An optimist would say that

tive on the world's problems.

these intro-European divisions are narrowing in response to the imperious necessity of defending European interests. The European Monetary System was launched, at least in part, as a reaction to America's blithe reaction to America's online meglect of the dollar. The French are gradually moving away from the pretence that they can enjoy the luxury of a defence policy which is separate and different from that of their Furnan neighburs. of their European neighbours. The co-ordination of foreign policy between the European Community 12 is supposed to be strengthen and formalised by the Luxembourg treaty agreed last December. But these trends will have to go a lot further before Europe can be expected to present a robust and united front to the Americans.

The third factor is Japan. Conventional wisdom says that Japan is so powerful in econo-mic terms that it must be coopted into any political club of the big boys; but it seems to me that no amount of calling Japan a Western country will make it so. If the Europeans have difficulty in signing up for President Reagan's version of globalism, that difficulty is manifestly much greater for a country which specialises in adopting a low profile. As a global superpower, the Soviet Union may pose a potential threat to any Western country; but the front line of that threat in Asia is

after a global crusade against Soviet expansionism, and the inadequacy of the institutions available to carry it out. Central to this dilemma is the idea, fashionable but inchoate, that America's geostrategic centre of gravity is shifting from the Atlantic to the Pacific.

The idea seems plausible. American population has moved to the sun-belt. Californians are more prominent in the political elite. Asian immigrants out-number European, and US trade with the Pacific has for some years exceeded with Europe. Moreover, America's fascination with the economic and technological dynamism of the Pacific Basin contrasts with its impatience with the slug-gishness and backwardness of "Euro-sclerosis." It seems logical to try to co-opt Pacific countries, starting with Japan,

in America's global strategy.

Lawrence Eagleberger, then No 3 in the State Department, articulated the idea of a Pacific shift two years ago. But the difficulties of translating a vague idea into a policy are immense. The growth of American trade with the Pacific is due solely to the growth of imports from more efficient competitors; it is hard to imagine a satisfactory geo-strategic partnership with a region which has given such a strong impulse to protectionist urges in the US. It is even harder when one considers that the countries of the Pacific do not have a common adversary let alone a common frontier. If the Japanese fear the Russians, the South Koreans fear the North Koreans, the Thais the Vietnamese, the Taiwanese the Chinese; despite President Reagan's wooing of the Asean reagan's wooling of the Assam countries this week, the Indonesians have roundly declared that they do not feel threatened by Moscow.

In short, it is simply impossible to convert America's

economic interest in the Pacific into a strategic partnership; Japan might be a conceivable candidate for such a role, if it were not manifestly reluctant to play it on Reaganite terms. Moreover, chic American con-tempt for Europe's backward-ness may prove to have been overdone, as it responds to the fall in the dollar, in interest rates and the price of oil; Michael Emerson of the EEC Commission estimates that average EEC growth over the next three years could rise to 3.2 per cent, and inflation fall to 1.7. If the US wants partners, it can only find them in Europe; but perhaps this administration merely wants a claque.

Hanging Together: The Seven Power Summits. Robert Pulnam and Nicholas Bayne, Heine-

Western Security: What has changed? What should be done? Kaiser, Lord, Montbrial, Wait.

Lombard

Why Mr Poehl likes the EMS

By Jonathan Carr in Frankfurt

the West German Bundesbank EMS agenda of a nuisance president, Mr Karl Otto Poehl, which has created storms of spoke about the European Monetary System (EMS) in the Italian capital the other day. he sounded at times almost

The EMS. Mr Poehl judged, had been working well in a turbulent monetary environment and its further development could make "a major contribu-tion to the political and economic integration of Europe." He expressly supported the idea that the final aim of monetary integration should be a European currency issued by a Euro-pean central bank—even though that was not just around the corner.

Bold words indeed-coming from a central bank which has often seemed more keen to underline the obstacles on the road to integration than to stress its commitment to the ultimate goal. But then even for the toughest-minded Bundesbanker a lot has been going right in the EMS and it is fair to expect more to come. could serve as a model in a

Economic policies in the member states are more convergent, inflation rates have dropped drastically, cooperation between central banks could hardly be closer. Even the recent realignment passed off quite smoothly and could, in the German view, have been completed in one day in-stead of two had not the French, for domestic reasons, wanted to show they were very tough bargainers. That hardly irritates the Germans who are broadly delighted with the current course of French economic policy and see it as one of the bulwarks of the

Moreover, several member states, notably France and Italy, look set to cut (if not yet wholly eliminate) their capital controls. If they do so it is probable that the Bundesbank will take the chance to remove its restrictions on the private use of the Ecu in Germany. It is most unlikely that Germans would then move Ecu-denominated assets

PERHAPS it was the clement they wish) so the practical spring weather in Rome after effect of the step would be freezing Frankfurt. But when small But it would cleanse the ill-feeling out of all proportion to its real importance. The major blot on the EMS

scene, and one to which Mr Poehl referred for the umpteenth time, is that Britain still does not feel "the time is ripe" to join. The Bundesbank chief went about as far as he could without actually dropping on his knees (which would no doubt prove counterproductive) stressing he would welcome full British member-ship, that the EMS would gain a "new quality" and that the lower exchange rate of the pound had improved conditions for entry. Most German mone-tary officials by now have given up trying to fathom just why it is that Britain stays out. Instead they underline, like Mr Poehl, that the system has suc-cessfully forged a zone of exchange rate stability in Europe, that all full members feel they have benefited, that further development is possible and — indeed — that the EMS broader

context. Two cheers for the Bundes bank President for pointing out all that. If a third cheer is withheld it is because Mr Poehl went on firmly to reject the idea of exchange rate "target zones" — for example between dollar, yen and Ecu. He stressed that authorities would probably be unable to cope with the huge capital flows involved and that no major industrial country was ready to submit its monetary and fiscal policy to exchange rate targets.

As it happens those arguments are very similar to the ones used by sceptics (including the Bundesbank) nearly a decade ago for not trying to create an EMS. They also seem overly pessimistic in a context where the US has dropped its neglect of the dollar exchange rate and is trying to face up to the federal budget deficit prob-lem. Target zones (and the kind of policy co-ordination they imply) tend still to be a good in swarms to incur the relatopic for arousing derisive tively high-interest Ecu debt laughter, but then so was the (they can already acquire all EMS until it was tried — and

Conflicting advice .

From Mr S. Lyon Sir,—Robert McCrinfile MP (April 24) knows from his long experience of financial con the importance of tancy impartiality when giving advice. It is therefore surprising to find him criticising the CBI for "complaining and crying foul play" at the prospect of trustees of pension funds having to defend themselves against the purveyors of personal pensions on a playing surface that is deliberately blased against them.

I happen to believe that contracted-out personal pen-sions should indeed be available to people who for one reason or another do not wish to be locked into a company pension fund, though it is not an option I would ever have wanted to take up myself. But I think it is wrong for people to be induced to take advantage of it by a special introductory offer at the expense of the generality of contributors to

the National Insurance scheme.

Yet this is not the worst mistake the Government is making. If a consultant suggests that a tr a consultant suggests that a client should arrange a personal pension and use it to contract out of the modified SERPS, will not the principle of "best advice" introduced by the managed carrying legis. the new financial services legis-lation effectively require him to make a comparison between the state benefits to be given up and the personal pension that might be secured by the contribution rebate? And if the bargain is favourable now but can be clearly predicted to become unfavourable in later life, will not the same principle he breached if he fails to warn the client that it is likely to be in his interest to give up his contracted out status when he reaches a certain age?

These are real questions because the terms proposed for contracting out involve a contracting out involve a serious mismatch by age and sex between the rebate receivable by an individual in a particular year and the value of the resulting reduction in state entitlement. answer to both questions must surely, therefore, be "yes." Moreover, if the client is opting out of an occupational scheme there are other comparative questions to be answered in the course of providing best advice. The dilemma for the consultant will be that if he covers all these questions properly he will make fewer sales, but if he does not he may find the trustees of a pension fund complaining to the relevant SRO that he has persuaded a member of their fund to opt for a personal pension plan on a false premise. The way out of the dilemma is for the individual con-

Letters to the Editor

tracted-out rebate and the loss of state pension to be fairly related at each age and for each sex. It may well be impractical to achieve this by varying the rebate, in which case the rebate could remain constant and the loss of state pension could be calculated on money-purchase principles. Stewart Lyon. Cuerdale.

White Line, Guildford, Suivey.

Decline in the fleet

From Mr D. Davies Sir,—I refer to Mr George Bonwick's letter (April 29) regarding the decline in Britain's merchant fleet. Many persons will take strong excep-tion to his belief that if the Government bears any blame for the fleet's decline it is for helping it too much in the past rather than too little.

This premise is very difficult to understand in the light of the help which most maritime nations give to the maintenance and/or advancement of their maritime fleets. For the record, this Government gives virtually no help whatsoever to the British fleet. What does Mr Bonwick want—a small merchant fleet? Because that would be the result if no help is given to British shipping which has to compete, mostly on an international basis, with other

international Dasis, with other maritime nations who give considerable support to their respective merchant fleets.

If help is not given to the British merchant fleet (which has been reduced by 50 per cent between 1979 and 1985) the end modelet will be a fleet which is product will be a fleet which is inadequate to keep the supply lines open (leaving us at the mercy of other flag carriers, inchiding flags of convenience, regarding imports/exports) and which is also inadequate as the fourth arm of defence in Falklands-type operations.

Donald Davies. 49 Queen Victoria Street, EC4

The price of

From Mr L. Fletcher Sir. — In view of Mr D. Harvey's comment (April 26) on my letter, may I elaborate

a little? Our revenue from oil over the past few years has far sur-passed repayment of capital and required reinvestment. At the present price it is probably breaking even. Instead of

ploughing the surplus into a manner of investment in tech-nology, it has largely been squandered. One of the most horrifying wastes is paying people to do nothing. People are just as much a resource as coal, oil er iren, but are different in that they consume wealth all the time and cannot be left till it suits us to drill or dig as with a material re-

Technology wins wars and wins the peace equally well. The Japanese have exploded into every technical field they can think of, and we should have done the same and been with them. It is to up. up there with them. It is to our country's detriment that we have not a powerful engineering contribution in our Parliament. The requirement of a government is to lead, and all we seem to get is: "It's up to you, chaps. It's not our job to tell you what to make." This is lasser-faire gone mad.

Lowering income tax by a copper or two is like dangling copper or two is like canging a piece of baitless string to catch a large fish. Nigel Lawson is my financial manager and I would sack him.

L. M. Fletcher. 72, Severn Road, Culcheth, Warrington.

National pay scales

From Ut J. Ashworth Sir. -- As a southerner living in Scotland I read with conce the report you carried (April 28) of the Reward Regional Survey which suggested that companies should scrap national

pay scales and enhance their south-east region remmeration to cover the high cost of housing. This was presented in a way which appeared as a recommendation. Having to purchase, albeit of necessity, a high-cost house con-stitutes a form of saving which can be liquidated at any time or passed on as part of an

estate. There are alternative forms of financial penalty which fall on individuals in the provinces and which do not constitute long-term savings, namely the higher cost of food, rates and other services. There is no natural justice

in the proposal to subsidise employees in the south-east with what is effectively a longterm savings subsidy at the expense of the majority of the community. I couple these remarks with

becoming increasingly difficult to find staff in the London area am sure that the majority of the nation, who happen to live in the provinces, could with one voice offer advice as to how to solve these two problems while enhancing the competitiveness of our manufacturing base. J. B. Ashworth. Woodside, Upper Colquhoun St, Helensburgh, Glasgow.

Charities and the

Finance Bill From Mr J. Newman

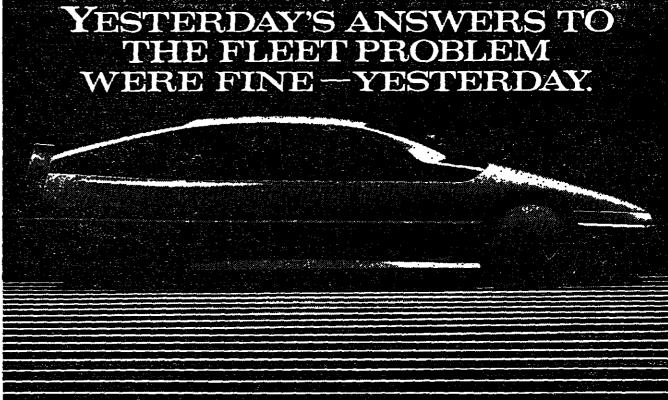
Sir,-Mr Hayes of Coopers and Lybrand (April 30) rightly draws attention to the appal-ling drafting and confused objectives of Clause 29 and Schedule 12 of the current Finance Bill. His example, however, of a hospital building appeal does not take into 9 of the Schedule. If the charity had lost full charitable status for tax purposes and thus had either paid tax on un-taxed income or not received repayments on taxed income, then on actually making the charitable expenditure (in this case on the hospital) tax would be repaid to the extent of that expenditure in the pre-

coding three years.

The Chancellor has a duty to make sure that income, corporation and capital gains tax exemptions given to charities and the corresponding deduc-tions for income, capital gains, corporation and inheritance tax purposes result in expenditure on charity and do not result in tax free accumulation of income and capital. The tax laws have to deal with the eventuality of planning permission on the hospital being refused, and the funds raise, being accumulated and not spent at all. It is clear in those tax circumstances should not be due.

May I suggest that construc-tive criticism should be applied to the problem by discarding the definition of "private" charity. The new code should focus on a comparison for all charities of, first, income and gains subject to tax exemption and, secondly, bequests and donations received with direct expenditure within the fiscal year or the financial year concerned on projects of a capital and income nature. Reliefs should be withdrawn if the expenditure did not come up to a percentage of the first two factors. This comparison could be done on a cumulative basis starting on March 19 1986 or

an earlier date. The Parliamentary debate should be on the quantum and manner of application of the percentage above and the nature of direct qualifying charitable expenditure, rather than on the minutize of a definition of a private charity. John A. Newman. the recent report that it is I Old Burlington Street, W1.



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INAWORD, PERFECTION

Night of violence in UK prisons

crowded prisons and custody centres destroyed accomodation equivariates destroyed accomodation equivariates and custody centres if necessary.

alent to two large jails. The officers' union suspended its overtime ban yesterday after it had everybody on the hop and we are been in effect less than 24 hours. not prepared to stand by and let The officers are in dispute with things get out of control."

Britain's Home Office over plans to the resumption of negotiations for the resumption of negotiations in a way that would reduce over- with the union with a conciliatory time working and pay for many of statement inviting its executive to

On Wednesday night, prisoners ous calling off of industrial action in at least 18 penal institutions, of and the institution of discussions 134 in England, Wales and Northern about the agenda for the future." Ireland, caused disturbances and damage of varying extent in reac- would remain suspended "certainly tion to the start of the overtime ban. until after the talks with the prison Mr Douglas Hurd, Home Secredepartment." He added: "We have tary, said yesterday that it was "a been invited to go along for talks minor miracle" that no one had about talks tomorrow. We are going been severely injured or worse in along without any qualification. Wednesday night's disturbances. Our first concern is the position of

summit which begins at the week-

end, to establish a \$30bn Middle

Egypt is facing acute balance of payments difficulties that may for-ce it this year to seek a reschedu-

ling of part of its estimated \$32.5bn

foreign debt. Dr Esmat Abdel Meguid, Egypt's

Foreign Minister, said in an inter-

view with the Financial Times that

Egypt was urging the seven rich in-

dustrialised countries represented in Tokyo to establish a rescue pack-

age for financially troubled Middle East states.

We have been victims of the situ-

oil price collapse.

EGYPT is appealing to the Tokyo ation [oil-price collapse]," Dr Me-

East development fund to assist in a sympathetic way in trying to countries in the region suffering fi-help countries like Egypt handle nancial difficulties as a result of the

night of rioting and arson by in-mates in the country's already over-of military camps to house prison-

Prison Officers Association said: "The response in the prisons caught

talks "with a view to the simultane Mr Steel said the overtime ban

in Tokyo will look at this situation

Dr Meguid said Egypt's debt

problem was "very serious," and gave a warning that pressure from

outside institutions such as banks,

Egypt will face increasing pressure

to reschedule its foreign debt. It is

tary Fund (IMF) on a balance-of-

Egypt calls for \$30bn Middle East aid

guid said. "We hope that our friends condition for providing balance of-

was causing difficulties. "I do not its foreign debt as a percentage of

think it is in the interests of our current-account receipts) was about

ntinue," he said.

price slide in the first quarter of this year, Egypt's debt-service ratio

friends in the West to let this thing 35 per cent. As a result of the oil-

also under pressure to reach agree— Egypt said recently that the short-ment with the International Mone-fall in Egypt's oil revenues this fi-

pended. We are going with a com-pletely open mind and an open mandate." The mood in prisons was said to

be calm yesterday, although limited disruption continued at a number of

Announcing the lifting of the ban yesterday in direct response to the events of Wednesday night, the union said the incidents had "illustrated perfectly" the force and validity of the union's case for negotiating rights on staffing levels.

Certainly the worst incident - the burning out of much of Northeys hill. Sussex in south east-England has strengthened considerably the union's argument that even lowrisk prisoners require permanent guarding, on officers' overtime if

By last night, 10 of the Northeye inmates who escaped during the disturbances had not been recap-

payments support, Egypt should re-form its tangled exchange-rate re-gime and take firmer steps to re-

duce the burden of subsidies on the

The IMF estimated in a report

published last year that Egypt's

debt service ratio (commitments on

President Hosni Mubarak of

nancial year, to the end of June.

would amount to about \$700m and

The IMF is insisting that, as a in calendar 1986 to about \$1.2bn. Oil

toke youth custody centre, near Devizes in south-west England also remained at large.

Priority was given on Wednesday night to protection of life and limb. No serious injuries were reported though a handful of officers received hospital treatment, and the alleged stabbing to death of an inmate at Gartree top-security jail, in central England, was said to be un-

The unrest began with a series of protests by prisoners at restric-tions, arising from the overtime ban, on out-of-cell activities and visits by friends and relatives. There was some evidence of "copycat" vandalism and arson as news of disturbances was broadcast by radio during the night.
At Northeye, control of the prison

was finally regained at 9am yester-

revenues in 1985 totalled about

\$2.5bn. Foreign observers in Egypt

are predicting a drop of between \$1.5bn and \$3bn in earnings from

oil this year, a much gloomier for-

cast than that provided by Mr Mu-

Egypt's other main sources of

hard currency - notably tourism.

Suez Canal dues and remittances

from Egyptian expatriate workers -

have been undermined by the col-lapse of the oil market and, in the

case of tourism, by Middle East-re-

Dr Meguid argued that Egypt

should not be expected to shoulder

the full burden of all its recent fi-

lated violence.

ERITAIN'S prison officers resumed He announced measures for the co- our colleagues who have been sus- tured. Another 16 from the Erles- mates have been transferred to other

At Horrield prison, Bristol, where more than 60 police - some in riot gear - were sent into the jail to restore order on Wednesday night, two wings were reported extensive

extensive damage to its remand wing. At Wymott, Lancashire, in north-west England the governor formally admitted at one stage that he had lost control of the institu tion, and the Home Office officially

Elsewhere, even where prison staff and police were reduced to pa-trolling prison boundaries after withdrawing from buildings, the official line was that sites remained under control while some inmates

Editorial comment, Page 20

BP chief urges cut in tax on N. Sea oil

SIR PETER WALTERS, the chair man of British Petroleum, yester

day called on the British Government to reduce texation on North Sea oil profits or face a contraction in North Sea oilfield developments Sir Peter told shareholders at BP's annual meeting: "It is not appropriate to keep the same level of tax on \$12 oil as was thought appropriate when oil was \$35 a barrel. I hope to persuade the Government that if a more appropriate tax system is not arrived at, it will prevent new in-

The Government has expres its concern about the possibility of a decline in North Sea development. but is not prepared to rush in with reductions in Petroleum Revenue Tax (PRT) which currently stands st 75 per cent. It points out that fields coming onstream since 1983 will pay no royalties and that all but those rare new fields which will produce over an average of 20,000

vestment in the North Sea."

barrels a day will not pay PRT. Mr Alick Buchanan-Smith, the Energy Minister, said in an interview with the Financial Times last there are any major potential develpments which are viable pre-tax but not post-tax."

Sir Peter argued yesterday that a wholesale reduction in PRT, while not enhancing the viability of individual fields, would return to the companies the cash flow they need to make major new commitments He said: "It is the longer term development of fields that is in particular jeopardy. For example, the Miller field will be deferred by at least a

The Miller field, with 350m bar rels of recoverable oil, is the largest undeveloped oilfield in UK waters. BP and its partners were planning to submit a development plan to the Government this year based on first oil production in 1991.

But one of BP's partners in Miller said yesterday: "It is not true that we have decided to delay the project by a year. We are still looking at first oil in 1991."

The Government's concern is that a wholesale reduction in PRT, while

reducing its own revenue, would not necessarily lead to greater North Sea investment. The oil companies could, instead, direct the extra cash to any of their operations worldwide. The UK Offshore Operators Asso-

ciation (UKOOA), which represents all the major North Sea companies. is pressing the Government to make a dispensation on the way in at present required to pay up to 75 per cent of its PRT liability six months in advance and at a rate

average oil price.

Mr George Band, the director general of UKOOA, said yesterday:

"We are financing the Government for free and we would love some re-

THE LEX COLUMN

Endowment policy for the Pru

ungeared balance sheet which had paid uncovered dividends two years running came to the market raising money for which it had no specific purpose, the Prudential would want to ask a few questions. Yesterday, for a change, the Pru was trying to supply the answers. For it was by no means obvious why the Pru was asking the market - in effect its competitors - for £357m when it has room to spend almost that much on the back of its existing balance sheet and has yet to identify a home for the new money. The company has made no secret of its intention to broaden the prod-

uct base but, with the single excep-tion of estate agency, none of the new activities should absorb signifi-cant quantities of capital. And the £100m which it may cost to build a national chain of estate agents could have been met from the proceeds of last year's floating rate Brown, where the panel last over-note issue. So the Pru is presu-ruled its executive's decision, a premably hoping to grow through acquisition, as much of a departure from past practice as yesterday's decision to dispense with the services of underwriters and merchant banks in the rights issue. The chances of a single big deal are very slim - the directors of Exco, Mid-land Bank and Kleinwort Benson should not be losing any sleep – and by no means all of the proceeds will be spent in the UK. It would not be surprising, for example, to see the company build a presence in the life insurance and fund management

business across the Atlantic. But, with £500m or more to spend, the Pru will be able to attack several fronts at once. The procurement of mortgage finance would be a logical extension of its move into estate agency, while it has yet to es-tablish a position in wholesale fund management which begins to rival its share of the UK personal savings sector. Those merchant banks and stockbrokers feeling a little uncomfortable about the conflicts of interest surrounding their invest-ment management subsidiaries may soon be receiving visit from

Maxwell/Demerger

the Man from the Pru.

Extel shareholders who rejecte the Demerger approach in hopes of pared to £62m, and Wellcome is seeking approval to sell it for If exchange rates had stayed put, Wellcome would still have had a

few problems. w problems. Coopers animal health, problematic offspring of a marriage be-tween two suffering businesses, shows no signs of returning to profits. At least the bulk of the start-up costs are out of the way. But farmers around the world are culling sheep and cattle herds and competition to treat the remaining beasts is intense. UK drug sales to the NHS are significant and a profit bonanza is unlikely, while exports are affected by currency moves 100. This leaves a lack of UK profits to shelter the ACT which, with a high US corporate tax rate and Coopera losses, accounts for the 54 per cer tax charge. Pre-tax profits for the full year should just top the previous £121.7m, giving a prospective p/e ratio of 27 or so. A normal tax charge would bring it down to the low 20s, about Glaxo's level.

The opportunity to take a potshot affair probably strengthened the at the tin market was too good to miss for the chairman of De Beers, executive's hand, a second reversal suggests that it may enjoy less than complete confidence from the panel who appears to suggest in today's annual report that commodity caritself. That is bad for the panel as tels are fine so long as De Beers is well will not be alone if he sees this

currency terms, but measured in dollars, they are still falling.

Last month De Beers managed to introduce its first price rise for dollar terms was higher than the three years and the bulls are per-prospectus forecast suggested suaded that diamond sales in the Margins improved as well, on the current year could rise by 40 per basis of figures restated to elimical to around \$2.5bn. With the nate the currency effect. The sec- Ashton diamond mine in Australia weakness, but again sales growth production and the Soviet Union something better from Mr Robert should make up the difference. ZovMaxwell will be even more disappointed than their hero. The full is still fairly new in many major doubt that De Beers and the CSO

Maxwell's conditional intention to

join the Demerger board enrolled

him in the Demerger concert party - has postponed by a year his

chances of bidding for Extel, a

small but perhaps expensive slip.

As with the case of Matthew

cipitate fall in the Extel share price

It is also highly probable, and re-

grettable, that on this occasion the panel executive's own stock will suf-

fer. Whereas the Matthew Brown

well as the executive, and Mr Max-

judgment bringing statutory regula-

The stockmarket had been so

decline to £84.2m at the pre-tax lev-

growth of 17 per cent in the US in

tion of takeovers a lot closer.

Wellcome

is not to be ruled out.

running them.
He probably has a point. Five years ago, when the company was forced into cutting its dividend, even the Central Selling Organisation looked as if it might crack under the weight of surplus diamonds. Since then a steady revival in decarefully prepared for Wellcome to mand for smaller stones has allowed the cutters to offload their show a profit fall in its first set of unwanted stocks, leaving the CSO back in charge of the market. The interim profits, that a 10 per cent collapse of the rand has inflated the el was almost an anti-climax. The value of De Beers' stocks in local shares fell only 2p to 188p amid the general retreat. As expected the slump in the dollar exchange rate caused the profit fall. Indeed, sales

Takeover Panel's ruling - that Mr markets, is expected to generate are firmly in the driving seat.

S. Africa hit by May Day strikes

Continued from Page 1 Inkatha, the Zulu political and cultural movement headed by Chief

Buthelezi. It claims over 1m mem-

Its formation is a direct response to the increased politicisation of the formation of Cosatu, which opposes Inkatha as a reactionary tribal

Cyril Ramaphosa, leader of the Na-tional Union of Mineworkers (NUM), recently held talks with the ANC in Lusaka.

With Inkatha behind it, albeit a a discreet distance, the new union is expected to attract mainly Zulus initially but hopes to recruit more widely from workers who do not support Cosatu's militant stand. As Chief Buthelezi used the occa

sion to win an endorsement from the new body of his anti-sanctions and disinvestment stance, a Cosaturally of around 5,000 in a smaller stadium two miles away denounced aimed at splitting the black work-

Paris doubles sell-off plan

Continued from Page 1

capital spending, including the large sums it will continue to inject into the loss-making Renault car group and the Usinor and Sacilor Mr Edouard Balladur, the Fi-

nance Minister, is amiious to avoid the impression that he will be following the example of the British Government of channelling privatisation income into current spending. However, in practice it may be difficult to separate income from share sales from other government revenue. The Government is already coming under attack from the st opposition for planning to sell off national assets in order to

Soviets shut down 20 reactors Continued from Page 1

might reach 50 per cent.

leadership appreciating the politi-cal damage done to the Soviet image abroad by its refusal to give full details of the world's worst nuclear accident at a power station.

The state news agency, Tass, has given extensive details of nuclear mishaps, past and present, in other countries, but no further details of Saturday's accident apart from yesterday's official pronouncement.

 Polish officials said yesterday that radiation levels had fallen radithe Chernobyl station had ceased. writes Christopher Bobinski in

Speaking at their first press conference for foreign reporters since the Government admitted that radi-

cally compared with Wednesday's and that their findings as well as Soviet information had shown that the source of radiation emission at

had varied between 0.05 and 2.5 milliroentgen an hour during the period. The levels had been similar to those in southern Sweden, they

lodine had made up 80 per cent of had concentrated on minimising Soviet action, Mrs Thatcher and

winski, the head of Poland's atomic place last Saturday and the Polish monitoring station had picked up 2.5 milliroentgens a hour, which seems to have been the peak, on Sunday night.

ation levels were up last Monday

that radiation levels in the country

the radioactive substances in the fallout and that is why the Poles sion about the implications of the the long-term dangers of absorption other senior ministers embarked on by children and infants.

According to Mr Mieczyslaw Soagency, the Soviet accident took

• Mrs Margaret Thatcher, Brit- us wary that in any arms control ain's Prime Minister, firmly com-mitted herself yesterday to the fur-ther development of Britain's nu-and strict verification of any agree-

her departure for this weekend's sified pressure on the Soviet Union to produce fuller information about what had happened at Chernobyl writes Peter Riddell, Political Edi-

Following lengthy Cabinet discusvide reassurance of the safety of the British programme and to emopenness by the Soviet authorities

Mrs Thatcher also argued in the House of Commons that Soviet re-

luctance to give details about the Chernobyl accident "should make

Tokyo police take to the azaleas

month - trying to avoid roadblocks.

yards. The trick is (a) to be foreign cause the police are (a) only looking for Japanese and (b) convinced that those who do violence use only pick-up trucks or white Nissan saloons with closed boots. In fact, at present, you could probably drive under the influence of alcohol at 10mph the wrong way up a one-way street in reverse without being stopped, so conditioned are the police to looking for political villains.

The police, thousands of whom have been bussed into Tokyo from the countryside and who appear to be sleeping in their gunmetal grey, fortified trucks, are ineffably polite but not very subtle. Most are in uniform but some are in plain clothes, disguised as cherry trees, azalea hes and so on. Your corresponmorning round the Imperial Palace when an obviously high-ranking poiformed cops saluted enthusiastically: so, alarmingly, did several flowgo wrong. They all wear extraordinary helmets which resemble some-thing between a horse's blinkers, a samurai's bonnet and what Darth Vader donned in Star Wars (the fictional one; Caspar Weinberger is not coming). While clearly useful as

protection against falling rockets, they provide no lateral vision. You will be spending most of your time in a palace known as Geihin-kan, which is a transplanted Versailles. Correspondents were recently given a tour of the place, rendered uninformative by the fact that the guide had clearly only recently been seconded from somewhere like the Ministry of Agriculture, Forestry and Fisheries' Arctic department, and was thus totally

unfamiliar with the premises. All he could divulge with confi-dence was that the chandeliers ungrams. It so happens we are over-due for a decent earthqueke in To-kyo and the standard advice, if one hits, is to get under the table and tall one.

We are also a little bit worried turn off the gas. You won't have to about whether the uniformed police worry about the utilities, but will see anything if something does crouching directly under a two tons of chandeliers may not be advisable, even for an iron lady.

It looks like you will get only one Japanese meal, and there's a trench under the table on which you will be dining, so you will not be ill at ease or get cramp. There appears to be no truth to the rumour that President Mitterrand has asked Mr Chirac to sit in the trench.

You probably won't see many Japanese, both for all the above reasons and because they are saving themselves up for Charles and Diana, who arrive as soon as you leave. You should be warned, how-ever, that 10,000 press cards have been issued. Having carefully studied the habits of journalists around the world, the Japanese have decided to offer all of them free beer, sake and food for the duration of the summit. This should mean that der which you will be dining and the summit. This should mean that conferring each weighed 800 kilo- you will be able to deliberate in

peace, or, at least hopefully, about peace. One final point: Nakasone is the



Alexanders Discount plc

"Alexander would cash my bill down on the counter, Sir. (John Sedley in Thackeray's Vanity Fair).

... and we still will

Alexanders Laing & Cruickshank Holdings Ltd

Mercantile House Group

World Weather

London shares take sharp tumble

Continued from Page 1

tial Corporation, the UK's largest insurance company. Institutional investors are already short of cash

after three months in which the market has risen by 27 per cent. down their cash balances since last year to increase their holdings of equities both in the UK and overseas. Last month, a combination of rights issues, company flotations and share placings linked to take-overs meant that investors had to find a total of £2.6bn to put into the the foreign exchange markets, con-

market. tinuing its overnight recovery in The prospect of further rights is New York. Dealers were nervous

political worries over next Thurs- industrial nations to brake the US day's local authority and parlia- current mentary by-elections, might help to tember

check the stock market's advance. The FT-SE 100 index began the day more than 32 points down on Wednesday's close, but halved this loss before dipping again when New York markets opened lower. It dex ended 20.9 lower at 1374, after

currency's long fall since last Sep-Their fears were reinforced by re-

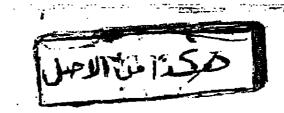
ports that Mr Karl Otto Poehl, president of West Germany's Bundesbank, had said that he did not want the dollar to fall any further.

The dollar ended in London at recovered once more to end 20.4 DM 2.2030, up nearly 1 pfennig lower at 1640.1. The FT Ordinary index ended 20.9 lower at 1374, after dropping as low as 1361.2.

The dollar, meanwhile, rose on the foreign exchange markets, continuing its overnight recovery in New York. Dealers were nervous.

Bank of England's effective exsues could place continued pressure about being too short of dollars in change rate index. It gained 1% on institutions' cash flow, brokers case the Tokyo summit meeting pleunigs against the D-Mark, clossaid yesterday, and, combined with leads to joint action by the leading ing in London at DM 3.27.





ROPE EXPRESS the AND Extracts the inrighter fire Me graff said is had in The Street Name of Street Persie Errors

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the entire grant of the ball REAL PROPERTY OF THE PARTY. STEPASSES --- LIP Its wife and a large state of the state of t End reported to the total control of the total cont Si see Gang in a 15 Reple Express Saire AND LOSS IN THE CASE OF THE

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Margen recognit e -**Egrapia** tesses profit 22/25/2012/2012 Training operations of the Chrysler p ssembly d

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स्ट प्रदेशको के इस्तर MER IS DOWN COLCUENCY but wheel drive models by have been kept in this because of comming y qual mith Contralet A C temporarily as the son on the luture of during in the US. The a stready decided that a plant in Wisconsin es its compact: Alicar and mitable for a mode. in line, and it has been ather abandaning th

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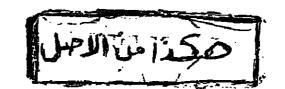
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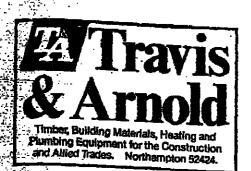
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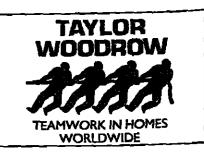




SECTION II - COMPANIES AND MARKETS

FINANCIALTIMES

Friday May 2 1986



People Express hit by \$58m first quarter loss

PEOPLE EXPRESS, the fast-ex-markets, both directly and through year ago. People Express said Fron-

The group said it had lost \$58m, or \$2.33 a share, in the latest period compared with a loss of \$18.8m, or 90 cents, reported in the year-ago period by People Express Airlines, the holding company's main operating subsidiary. Operating revenues for the group grew by 69 per cent to \$329.3m from \$195m a year ago re-flecting its recent acquisitions and rapid expansion.

The wider first-quarter loss comes in the wake of large losses reported by most other large US airlines including Eastern Air, which reported its biggest ever quarterly loss of \$110.6m earlier this week citing fare wars and la-

People Express, based at New-lines reported a pre-tax operating prove our yields systemwide we ark, New Jersey, blamed its higher loss of \$27.1m on revenues of should see a substantial improvequarterly loss in part on "the invest- \$102.2m in the first quarter com- ment in our breakeven load factor ment we have been making in new pared with pre-tax loss of \$15.3m a and in our results."

ing profits of SKr 6.138bn (\$876m) compared with SKr 5.737bn in 1985

The fortunes of Volvo's car opera-

librar have recovered dramatically

in the five years since the division

assembly deal

front-wheel drive models. However

they have been kept in the model

line up because of continuing - and

AMC temporarily as it comes to a

decision on the future of its manufacturing in the US. The company

has already decided that its Kenos-

ha plant in Wisconsin, where it

makes its compact Alliance range, is not suitable for a modern produc-

tion line, and it has been consider-

ing either abandoning the plant or

In the meantime, it has spare ca-pacity in Kenosha because of the

poor demand for the Alliance. It ai-

so has capacity at its Brampton fa-

cility in Canada, which is believed

to be under consideration by Chrys-

ler for a contract assembly opera-

A deal with Chrysler would help

profitable - demand.

bulding elsewhere.

with AMC

and SKr 4.805bn in 1984.

panding cut-price US airline holding company, became the latest in a string of US airlines to report substantially higher first-quarter and Britt Airways in with 58.1 per cent a year ago. February this year, said results should improve as its markets mature and investment in new mar-

> The expanded holding company which noted that the latest losses included a \$4.5m charge against franc denominated debentures is- traffic feed generated by the People sued early this year, added that, in line with earlier projections, People Express Airlines had a pre-tax operating loss of \$34.9m on revenues of \$218.5m in the 1986 first quarter but that the airline's load fac proved to 60.2 per cent from 58.5 per cent a year ago.

The only other Volvo operation

with a return of 8 per cent, trucks

Operating profits of volvo's truck

cent and buses with 8 per cent.

tions were almost haived.

Volvo group's results again

boosted by car operations

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

VOLVO, the Swedish automotive, return on capital employed of more

its position last year as one of the world's most profitable car productive to be closer to 40 per cent.

Its annual report showed some 82 which approaches this level of prof-

per cent of group operating profits itability is the marine engine division, which also showed a return on group's car operations, which accounted for only 40 per cent of per cent, followed by aero engines

The car division achieved operat- with 13 per cent, food with 10 per

Contrast People Express' latest acquisition, Britt Airways, recorded a \$808,000 pre-tax profit on reveues of 58.3m in the 34-day period during which People Express owned the company. The group hailed Britt Airways results as outearnings associated with Swiss standing, reflecting the impact of Express and Frontier routes, which represented 10 per cent of Britt's

Overail Mr Donald Burr, People Express president, said: "Reflecting the impact of seasonal travel, the trend line for People Express began turning more positive in March and Among the holding company's this progress is continuing. As we other operating units, Frontier Airlines reported a pre-tax operating prove our yields systemwide we

tracts and the costs of withdrawal

has been built up by three years of

record profits, is reflected in liquid

assets of SKr 14.4bn at the end of

1985. The group had positive inter-

About 30 per cent of the cash

table ventures.
Atlantic & Pacific is being launched at a time when the US

Meanwhile, New York-based Al-

the group to record profit levels in operating loss of SKr 146m caused have been hedged at rates higher the last two years.

The car operations have shown a losses on old product tanker con-APA raised FFr 100m for its first

Chrysler plans Greyhound earnings fall to \$10m in quarter

BY OUR FINANCIAL STAFF

By Our New York Staff GREYHOUND, the US transport, consumer products and financial CHRYSLER, the third largest US services group which is restructur-ing its old-established bus lines business, suffered a sharp fall in motor group, confirmed last night that it was talking to American Mo-tors (AMC), the small-scale car first-quarter net earnings from manufacturer in which Renault of \$19.1m or 39 cents a share to \$10.3m France has a controlling interest, shout the possibility of assembling some of its vehicles in an AMC

The 1985 quarter included \$6.9m of gains from the sale and leaseback of two bus terminals. Another Chrysler said the discussions cennegative factor for the latest quartred on its ageing range of large, rear-wheel-drive eight-cylinder ter was higher claim losses in Grey-hound's Verex mortgage insurance business, offset partly by increased models currently made in one of its St Louis plants. The company has investment gains. Profits for Greybeen considering discontinuing hound's financial group were down these vehicles for some time, be-32 per cent overall due to the Verex cause it is now concentrating all its development activity on smaller

In contrast the company's con-

sumer products group, the products of which range from canned meats to Brillo pads, lifted profits by 62 per cent, reflecting last year's acqui-sition of Purex Industries' consumer products business.

Greyhound's revenues rose from \$680m in the 1985 quarter, when onincluded, to \$751m.

Earlier this week Greyhound announced a comprehensive restruc-turing for Greybound Lines, divid-ing it into four regional companies. Greyhound is currently applying for a listing on the London Stock Exchange, part of a planned expansion of the company's European financial services group.

Grumman falls again

Kodak suffers from job-cuts programme

BY OUR FINANCIAL STAFF

group, yesterday reported its fourth consecutive quarterly earnings de-cline with net profits falling to \$20.3m or 64 cents a share from \$27.2m or 90 cents.

Revenues rose from \$758.5m to \$826.1m. while earnings per share figures reflect a rise in shares out-standing from 28.7m to 32.1m.

1985, to \$8.3hn a year later. The latest figure includes \$1.1bn from a recently announced contract to sup-

GRUMMAN, the big US military ply vans to the US postal service, surgests and defence electronics but excludes \$621m from unfunded

Grumman's van order is for 99,150 delivery vehicles, which will be produced at the company's plant in Montgomery, Pennsylvania. The vehicles will go into service be-tween 1988 and 1993.

Less than 10 per cent of Grum-Grumman said its order backlog man's sales are derived from nonjumped from \$4.9bn at March 31, aerospace commercial products,

US drive for UK venture

capital

The cash is being raised mainly in Britain and France through two separate funds and provides evi-dence of the growing internationalisation of the venture capital indus-

try.

TA Association, based in Boston. is looking for between \$80m and \$100m for its Atlantic & Pacific Partnership Fund to invest in US ventures. TA, the largest venture capital group in the US with \$500m agement, plans to start looking for investors in London at the end of May.

Mr Kevin Landry, a managing partner, expects roughly a third of the fund to come from the UK, with the remainder from the Far East and North America. UK investors will make the largest single nation-

which will be collected in three equal annual instalments will be invested in start-ups - with the remainder going to established profi-

venture capital industry is recov-ering from a widespread decline in company valuations. A TA spokesenergy and food group, confirmed than 25 per cent in each of the past from the US Scandrill oil and gas man said: "A new sobriety has returned ... with a reduced flow of Having further reduced the volnew capital into the industry. As a ume of its oil trading activities, Volresult, opportunities are available vo succeeded in returning this opertoday in significant quantity and at ation to profit last year after a series of heavy losses. Volvo's financial strength, which

an Patricof Associates is launching a FFr 250m to FFr 300m (\$36m to \$43m) fund, which it claims will be the largest venture capital vehicle ever launched in France.

est earnings of SKr 421m. Volvo's policy of hedging its dol-The fund, APA Risque II, will be division dropped last year to SKr 221m from SKr 1.122bn in 1984, lar income largely protected its while earnings from the Bus opera-profits in the second half of 1985 managed by Paris-based Alan Patricof & Cie and advised by the New York firm At least three quarters of from the falling value of the US its capital will go to French compaslumped into loss in 1989 and have Volvo's energy and trading opera-been largely responsible for taking tions remained in the red with an expected dollar revenues in 1986 nies - with the remainder in the US and Britain.

fund in France three years ago. This fund has invested FFr 55m in 21 companies since then and was valued at the end of the year at FFr 98m. That included a FFr 7.4m write-down on four companies, three of which are now turning round, according to APA.

Brown Boveri unchanged as sales surge

By Our Financial Staff BROWN BOVERI, the West German electrical engineering group has maintained profits for 1985 des pite a steep increase in turnover.

The company, which is 75 per cent owned by Brown Boveri of Switzerland, reported net profits of DM 25.7m (\$11.9m) against DM 25.3m. Turnover rose from DM 4.82bn to DM 8.18bn for last year. The company said profits for the urrent year would at least match those of 1985. For the first four months of 1986 incoming orders

were 23 per cent higher.

However, Mr Herbert Gassert,
managing board chairman, warned that turnover would be lower because the 1985 figure was inflated by the settlement of two large pow-

er plant contracts.

Mr Gassert said domestic sales surged 126 per cent to DM 6.01bn last year, mainly on account of the power plant settlements, while for eign business was barely changed at DM 2.17bn. The share of exports and foreign production in group turnover dropped to 26 per cent from 45 per cent.

Last year incoming orders rose 11 per cent to DM 5.99bn with domes tic orders 8 per cent higher at DM 3.53bn and foreign demand 17 per cent up at DM 2.46bn.

CHEMICAL GROUP SUFFERS IN QUARTER FROM LOWER \$ AND OIL PRICES

Hoechst setback as sales decline

chemical and pharmaceutical group, suffered a setback in the first quarter of this year as a result of the lower US dollar and the ungroups are raising a total of up to \$150m to provide equity capital for small business in Europe and North

America.

Securing enects of lower oil prices.

Group pre-tax profits fell to DM 761m (\$352m), 9.4 per cent less than in the first quarter of last year.

Worldwide sales revenue of the first quarter of last year. to DM 9.9bn, with export revenue

accounting for most of the decline. The other big West German chemical groups, BASF and Bayer, have also been experiencing less buoyant conditions in some markets, but have not yet released their

first-quarter results. The lower dollar has reduced the chemical industry's US earnings in terms of D-Marks and has led to sharper price competition from US chemical companies in export markets, including Western Europe. Al-though the decline in oil prices has reduced raw material costs, the continuing fall has caused some chemical industry customers to delay pur-

chases and to run down stocks. The industry's latest problems come after three years of steadily rising sales revenue and profits, boosted by world economic recoverv and favourable exchange rates. Professor Wolfgang Hilger, the

ness lacked impetus in the past few year. months as the company and customers re-oriented themselves to

the new conditions. But Hoechst was confident the underlying strength of the world economy would enable the company to reap "good" profits this year,

Hoechst increased worldwide pre-tax profit by 10.7 per cent to DM 3.16bn last year, with sales 3.1 per cent higher at DM 42.72hn. Like BASF and Bayer, it raised its dividend to DM 10 per share from DM 9 in 1984 and DM 7 in 1983.

Prof Hilger said the drop in oil prices had not led to increased profit margins, Petrochemical raw materials and fuel were cheaper but, on the other hand, Hoechst had reduced some of its own prices, electricity and personnel costs were rising, and the lower dollar was reducing returns in D-Marks. The volume of exports was lower and this was raising unit costs of production.

Even so, the Hoechst parent company showed a 1.5 per cent increase in pre-tax profit to DM 408m in the first quarter of this year. But Hoechst said this was influenced by the first time, the parent company special factors, such as reduced had an interest rate surplus last transfers into reserves for pensions year, amounting to DM 48m.

HOECHST, the West German Hoechst chief executive, said busi- compared with the same period last

The parent company's sales revenue was down 5.5 per cent at DM 3.72bn. Domestic sales held up relatively well, increasing a marginal 0.5 per cent to DM 1.69bn. Export sales revenue, however, slipped 10 per cent to DM 2.03bn. While lower prices accounted for some of this decline, the volume of exports was

Of Hoechst's worldwide sales of DM 9.9bn in the first quarter, domestic sales were 1.3 per cent lower at DM 2.72bn, while sales abroad showed a sharp 13.3 per cent drop to DM 7.18bn.

information technology, technical ceramics, industrial gases and cos-metics, increased their sales revenue. But plastics, agrichemicals and organical chemicals produced lower les revenue, because of price cuts, a lower sales volume and unfavourable exchange rates.

Prof Hilger said Hoechst had continued to reduce the interest-rate burden on its borrowings. The group's net interest-rate payments totalled DM 461m last year, compared with DM 1.23bn in 1981. For

Hoechst announced recently that it would further strengthen its finances through a one-for-20 rights issue to raise about DM 880m.

Prof Hilger said Hoechst was stepping up its investment, especially in areas of advanced technology with strong market prospects, such as technical ceramics.

Investment rose 14 per cent to DM 2.37ba last year and is likely to reach DM 2.6bn this year. Business in the US was improving after the sharp drop in profits

there last year Prof Hilger said. As a result of the slowdown in the US economy and problems in the plastics business, net profit of Ameri-Some areas of business, notably can Hoechst slipped to \$5.7m last year from \$53m in 1984.

Prof Hilger criticised the EEC Commission's recent decision to fine Hoechst and other chemical companies for alleged price fixing and market sharing in polypropy-lene between 1977 and 1983.

As far as he knew, Hoechst had not been involved in any price-fixing agreement, he said. Normal contacts between companies should not be interpreted as agreements. he added.

The EEC fines were an "inappropriate reaction" to a time of neavy losses and overcapacity, he

Varta to increase dividend

BY OUR FINANCIAL STAFF

maker controlled by the Quandt forecasts an improved profit for the family, reports a modest increase in full year. earnings for 1985 and says further The battery division increased progress can be expected during sales of car batteries by 12 per cent the current year.

On sales 12 per cent higher at er battery sales were up 13.6 per DM 1.9bn (\$880m) net profits for cent to DM 600m. Industrial battery last year rose by 8 per cent to DM sales improved 6 per cent to DM 41m. As a result the dividend is be-430m from DM 405m. The plastics ing stepped up from DM 7.50 a division boosted sales by 41 per share to DM 8.50.

Sales for the first quarter of 1986

in 1985 to DM 799m, while consum-

Despite the decline, the company fell 10 per cent to DM 417m, but is "not dissatisfied" with its first-Varta is confident that turnover for quarter group sales. Varta said

VARTA, the West German battery 1986 will show an improvement. It losses from converting foreign currencies were the prime cause of the three-month sales drop.

> Moreover, sales in the first quarter of 1985 were unusually high because extremely severe winter weather in Europe caused a surge in car battery sales. The measuring stick for 1986 is

miserably high for us," Varta said. Domestic sales, which are not subject to exchange-rate fluctuations edged up 0.4 per cent in the first quarter to DM 264m.

Imasco plans C\$2.5bn issue

By Robert Gibbens in Montreel IMASCO, the fast-food, tobacco products and retailing group plans an equity issue to help to fund the C\$2.5bn (US\$1.82bn) takeover of Genstar.

Imasco, 44 per cent owned by BAT Industries of Britain, has almost completed the Genstar deal. which will leave it with ownership of Canada Trustco, the country's seventh-largest financial institu-

lmasco had fourth-quarter earnings (excluding Genstar), of CS51.3m or 47 cents a share.

Rabobank Financial highlights

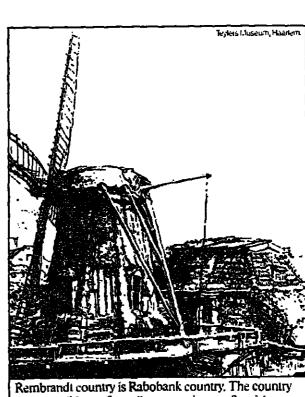
Key Figures as of December 31, 1985 (in millions of Dutch guilders)

,	
Total assets	131,74
Total loans	84,90
Total deposits	98,170
Own funds	7,049
Net income	668

Nabobank is a Dutch co-operative banking institution with AAA, Aaa, A1+ and P1 ratings. It ranks among the largest banks in the world.

Kabobank - with 2500 offices in the Netherlandsderives its strength mainly from its dominant position in the domestic market, especially in Dutch agriculture and agribusiness.

Deing deeply involved in these particular sectors of the number two exporting country of agricultural products in the world, Rabobank has a sound knowledge of international trade financing.



where traditions of excellence continue to flourish.

Kabobank 72

Rembrandt country is Rabobank country.

anh Nederland, Crosselsan (8, 1821 CB Utrocht, The Netherlands, Telex 10200, New York, Landon, Paris, Antwerp, Caração, ADC V-BANK Franklurt,

high operating costs."

The earnings decline came des would have been \$91.5m, or 40 cents pite a 18 per cent gain in sales reve a share - down 21 per cent. nues, mostly led by higher overseas

plunged 58 per cent to \$48.6m, or 22 charge, operating earnings declined tents a share, from \$115.2m, or 50 tents a share, a year ago. Sales in Kodak said sales gains in two of

cent fall in first quarter net and operating earnings on the cost of its earnings on the cost of its earnings by about \$140m. Without statement: "While the 10 per cent jeb-reduction programme and "low-earnings by about \$140m. Without er US selling prices and generally this unusual charge, Kodak said,

Earnings from operations fell 56 per cent to \$90.5m from \$206.5m a Net earnings in the quarter year ago. Excluding the special

EASTMAN KODAK, the world's reduced by a \$77.3m pre-tax charge from unit volume gains offset by the US dollar." Looking ahead, the largest photographic products related to the group's 10 per cent lower selling prices.

Mr Colby Chandler, chairman group mamed a more man or which Kodak's senior executives and chief executive, and Mr Kay cent fall in first quarter net and op-

sales gain in the first quarter was consistent with our expectations, earnings continued under pressure due to lower US selling prices and generally high operating costs, in-cluding larger research and development expenditures and higher depreciation expense.

ficantly improved earnings rate by Higher unit volume and lower the end of 1986. For the year as a raw material costs favourably afwhole we continue to look for solid gains in sales and operating earn-

sales while the continuation of cost pressures make clear the need for cost reduction efforts, which were accelerated earlier in the year. "With continued gains in unit volume and cost benefits that should become apparent later in the year, we expect to be operating at a signi-

quarter results give us confidence

that 1986 will be a year of growing



BNP Group Refor 1985	esults	
Net profit increases by 19.6%	6	
The Board of Directors of Banque N which met on 24th April, 1986, und M. René Thomas, has finalised the the year ending 31st December, 19	er the Chairn accounts of	nanship of
Summary of Results		
Consolidated Statement of Income	9	
••	FF million	% change
Net revenue	27,597	+ 4.9
Profit before tax and provisions	8,778	+ 7.8
Provision for doubtful debts and general risks	4,876	5.2
Net profit	2,114	+19.6
Attributable to Group	1,988	+21.6
Consolidated Balance Sheet		
	FF million	% change
Total assets	930,619	- 2.0
Customer deposits	355,102	+ 4.8
Loans to customers	389,084	- 4.0
Share capital and reserves	10 <i>I</i> EO	1112
(after envisaged appropriations)	18,450	+14.3

	FF million	% change
Total assets	930,619	2.0
Customer deposits	355,102	+ 4.8
Loans to customers	389,084	- 4.0
Share capital and reserves		

Banque Nationale de Paris

16 Boulevard des Italiens, 75009 Paris

Telephone: (010 331) 42 44 45 46, Telex: 280605

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or to purchase, any securities. The securities referred to below have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or its possessions or to United States persons.

N.Z. \$50,000,000

THE BANK OF NOVA SCOTIA

1812% Deposit Notes Due 1989

The following have agreed to subscribe or procure subscribers for the Notes:

MORGAN STANLEY INTERNATIONAL

BANQUE BRUXELLES LAMBERT S.A.

BANQUE GENERALE DU LUXEMBOURG S.A.

BAYERISCHE LANDESBANK GIROZENTRALE

GOLDMAN SACHS INTERNATIONAL CORP.

BANK FUER GEMEINWIRTSCHAFT BANQUE PARIBAS CAPITAL MARKETS THE BANK OF NOVA SCOTIA GROUP

CREDIT SUISSE FIRST BOSTON DAIWA EUROPE LIMITED

CHEMICAL BANK INTERNATIONAL GROUP

DOMINION SECURITIES PITFIELD

GIROZENTRALE UND BANK DER OESTERREICHISCHEN SPARKASSEN

MCLEOD YOUNG WEIR INTERNATIONAL

MERRILL LYNCH CAPITAL MARKETS

GREAT PACIFIC CAPITAL

SAMUEL MONTAGU & CO.

NEDERLANDSE CREDITBANK N.V.

THE NIKKO SECURITIES CO., (EUROPE) LTD.

NOMURA INTERNATIONAL

RABOBANK NEDERLAND

J. HENRY SCHRODER WAGG & CO.

YAMAICHI INTERNATIONAL (EUROPE) WOOD GUNDY INC.

Application has been made to the Council of The Stock Exchange for the Notes, in the denominations of N Z. \$1,000 and N Z. \$10,000 with an issue price of 100½% to be admitted to the Official List. Interest on the Notes is payable annually in arrears on September 15, commencing on September 15, 1987.

Particulars of the Notes and of The Bank of Nova Scotia are available from Extel Statistical Services Limited. Copies of the listing particulars relating to the Notes have been published and may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including May 17, 1986 from: The Bank of Nova Scotia, Rowe & Pitman,

Scotia House, 33 Finsbury Square, London, EC2.

1 Finsbury Avenue, London, EC2.

The Stock Exchange, Throgmorion Street, London, EC2. (up to and including May 7, 1986 only)

May 2, 1986

INTL. **COMPANIES**

Cambior to control **Quebec** mining

CAMBIOR, a new gold mining company, has been formed to take over the gold and other metal mining investments of Soquem, the Quebec government's wholly owned mining

levelopment agency. It will sell two thirds of its shares publicly in Canada and Europe, and in the US through private place-ment, hoping to raise between CS100m (\$76m) and C\$150m from the public offer.

Cambior, headed by Mr Gilles Mercure, retired president of Na-tional Bank of Canada, and Mr Louis Gignay, former Falconbridge copper vice president, has assets of between C\$150m and C\$200m, including a half-share in the Doyon gold mine in north-west Quebec, Canada's second-largest, and half of Niobec, Canada's only Columbian

In effect Soquem is being privatised but will retain a third of Cambior for the time being while continuing in a minor exploration role.

● TransCanada Pipelines, controlled by Bell Canada Enterprises s still interested in Home Oil of Calgary, if Olympia York Develop-ments, the successful bidder for Hiram Walker Resources, decides to

put it up for sale. Mr Gerald Maier, TCPL's president, said Home Oil may be worth about C\$1bn and was the main target of its own unsuccessful bid for Hiram Walker, a large liquor and energy group. "However, there are a number of Home Oils out there waiting to be acquired, and more will be showing up," he said after

Lower oil prices will mean lower earnings in the second quarter, he said, and TCPL is cutting back its spending by about 25 per cent. The traditional pipeline business will be the mainstay over the next few years of volatile oil and gas prices.

• Continental Bank of Canada has. renewed C\$3bn in the special shortterm loans from six leading Canadian chartered banks and the Bank of Canada for a further three months while the Bank of British Columbia said a serious run-off in wholesale deposits early this year has

Both banks were caught in the wash of the failure of the Canadian Commercial Bank and the Northland Bank late last year, and faced major deposits withdrawals.

New deadline on Dome Petroleum debt

By Our Montreal Correspondent SENIOR international creditors of

Dome Petroleum have given the company another month - till May on the rescheduling of US \$5,3bn of debt. The creditors will not put the company into technical default before then.

Dome has failed to meet the conditions of a previous debt rescheduling agreement because of the steep decline in oil prices since last No-

Half the interest due on Dome's debt on April 30 has been released from Escrow to its lenders and the balance will be paid once the interim agreement is reached.

• Lower contributions from two main subsidiaries. Northern Telecom and TransCanada Pipelines brought a decline in first quarter profit of Bell Canada Enterprises, the holding company that controls the Bell Canada regulated telecommunications utility plus 80 nonregulated businesses. Earnings to-talled CS240.1m or 93 cents a share, against C\$255.4m or C\$1.04 on revenues of C\$3.2bn against C\$2.99bn.

BCE's performance in the second half will improve, the company said, but earnings for all 1986 are not likely to match the C\$4.23 a share of 1985.

A&A moves ahead 67%

By Teny Dodsworth in New York

ALEXANDER & Alexander, the world's second largest insurance broker which merged last year with Reed Stenhouse of Canada and Britain, achieved a 67 per cent in-crease in profits in the first quarter this year due to "significant growth" in business volume.

Net income amounted to \$22.1m or 54 cents a share compared with \$13.2m or 35 cents a share in the same period last year, while operat-ing revenues jumped almost 19 per cent to \$249.8m from \$210.5m.

Mr John Bogardos, chairman, said volume had risen because of a mixture of new business and an increase in the premiums handled by the company. We are obviously pleased with these earnings and ex-pect ongoing positive results from our continuing operations during our continuing operations during the balance of 1986," he added.



(Incorporated in the Republic of South Africa) Registration No. 01/00656/06

INTERIM REPORT FOR THE SIX MONTHS ENDED 31 MARCH 1868. The unaudited consolidated results of Rand Mines Limited and its subsidiaries for the six months ended 31 March 1986 are set out below:

		-	Six month	e endad		Year ended
INCOME STATEM	TT14 = ,		31 March	31 March	يسرينا فالمسافي	30 Sept.
	:		. 1986	1985	%	1985 Rm
			Rm	Rm	Change	651.4°
urnover			395.4	297.6	33	-
			1144	87.2	65	197.6
oup operating p	TOUT	* * - * * 	144.0 18.8	12.8	47	36.3
vidends from inv ofit on sale of s	esunents . .heidiare	· !!!		9.6		9.6
WIT OUT SETTE AT SE	analmarl .		·			
	• • • •		162.8	. 109.6	49	243.5
ss:	•••			,		. — . -
ploration expen	diture		6.6	4.6	43	12.5
				105.0	49	231.0
roup profit befor			156.2		72	98.1
xation		4,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	75.2	43.8		19.1
Normal			61.4	31.4	96	-79.0-
	**********		13.8	12.4	{ п	79.0-7
		•		<u></u>	3 ·	
aun macht after				61.2	32	132.9
oup profit after tributable to:	MERCHON .		81.0	- 		
iriontable w: Outside sharehol	ders in a	heidigeles	. 11.1	10.1	10	22.0
						110.9
Shareholders in 1	Rand Mine	s Limited	69.9	51.1	37	
			-			11 211
ares in issue (00)O's)	*********	11 211	. 11 211	37	989c
croings per share	· · · · · · · · · · · · · · · · · · ·	,	624c	456c 85c	24	350c.
vidends per shar	te irinnin		1 05 c	. 890		×/363
:		e go di Neil A		•		60: Core
ALANCE SHEET			11. 20.50		31 March	30 Sept 1985
	• •		1. 1 × 1		1986	Rm.
					Rm	Viri.'
ource of capital	•			•	529.9	471-9
hare capital and					69.3	62.9
iterest of outside	snarenold	ers in subs	ioraries			
	~ ^ -				599. 2	534.8
-			• • •		289.9	185.8
	<u>.</u> .	Court Service 11	· -		211.0	110.5
ng-term liabilitie	s—Escom	h			78.9	75.3
	Other					
ferred taxation					372.4	358.2
			:			
		50.50			1 261.5	1 078.8
					-	
aployment of car					041 2	799.3
xed assets					841.5 170.5	161.7
vestments					170.5 489.3	326.6
rrent assets	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				- 	
Stocks and stores					50.6	51.1
Debtors			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	112.1	113.4
Cash and short-te					326.6	162.1
	٠.					
tal assets					1 501.3	1 287.6
urrent liabilities					239.8	208.8
Interest bearing .					41.2	54.9
Other	,	·	**********	******	198.6	153.9
					لــــا	
					1 261 5	1 078.8
		-			1 261.5	
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TELUMINOS TO OPER TOTAL INTUINITIES IN S	inarenoide aboldere'	rs rubu Anada	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,		45
errowings to share	eholders' :	funds			.55	45
errowings to share errent ratio	eholders'	funds			.55 2. 84	.45 1.56
otal liabilities to so orrowings to share urrent ratio et asset value per	eholders'	funds			.55	45

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Harry March - 16. 5

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W Jan Laieiga

A considerable improvement in operating profits was achieved by all divisions with the exception of the property division which suffered from a low level of demand for both industrial and commercial land. Coal and chrome exports benefited from the decline of the Rand against the US dollar, as did the gold price expressed in Rands per kilogram, which enhanced both gold dividends and the profits from sand retreatment operations. The disproportionate increase in taxation relative to the increase in Group operating profit arises from the substantial exhaustion in the previous financial year of assessed losses in certain companies.

The price of gold is currently R22 400 per kilogram, significantly lower than the peak of R28 800 achieved in December 1985. Furthermore the export markets for coal and chrome are becoming increasingly difficult. It is therefore expected that the results for the full financial year will show an improvement of about 15 per cent as compared with the previous financial year.

Interim dividend

An interim dividend of 105 cents (1985: 85 cents) per share has been declared in terms

of the accompanying dividend notice.

The values of the Group's listed investments were as follows:

Listed lavestments	31 March 1986 Rm	30 Sept 198 Rr
—Market value—Book value	396.9 165,8	314.' 154.

Proposed capital expenditure and commitments:

Capital expenditure during the six months amounted to R65 million (1985: R30 million). Capital expenditure commitments contracted for amount to R84 million (1985: R64 million). Capital expenditure for the remainder of the financial year is estimated at R137 million (1985: R99 million).

The Group has a long-term lease commitment relating to property amounting to R31 million (1985: R33 million).

For and on behalf of the board D. T. WATT (Chairman)
A. A. SEALEY (Deputy Chairman)
Directors

DECLARATION OF DIVIDEND NO. 93

Notice is hereby given that dividend number 93 of 105 cents per share has been declared in South African currency, as an interim dividend in respect of the year ending 30 September 1986, payable to members registered at the close of business on 30 May 1986 and to persons presenting the appropriate coupon (No. 94) detached from a share warrant to bearer. The dividend on a share warrant to bearer will be paid in terms of a further notice to be published by the company's London Secretaries on 6th June 1986. The register of members will be closed from 31 May to 8 June 1986, inclusive. Dividend warrants will be posted on or about 1 July 1986.

The rate of exchange at which the dividend will be converted into United Kingdom currency for payment by the United Kingdom registrars, transfer and paying agents will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 31 May 1986, on which foreign currency dealings

Where applicable, South African non-resident shareholders' tax of 15% will be deducted from the dividend.

The full conditions of payment of this dividend may be inspected at or obtained from the Johannesburg or United Kingdom offices of the company.

By order of the board RAND MINES (MINING & SERVICES) LIMITED

Secretaries per A. R. HOLT

Johannesburg 1 May 1986

Johannesburg 1 May 1986

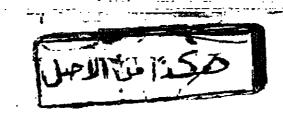
Registered Office: 15th Floor, The Corner House, 63 Fox Street, Johannesburg 2001

(P.O. Box 62370, Marshalltown 2107)

Secretaries in the United Kingdom: Charter Consolidated Services Limited, 40 Holborn Viaduet, London ECIP 1AJ

United Kingdom Registrars, Transfer and Paying Agents: Hill Samuel Registrars Idmited, 6 Greencoat Place. London SW1P 1PL





And the second s

INTERNATIONAL COMPANIES and FINANCE

A fitter Sperry comes out fighting

have been in so many different businesses, and none has struggled so visibly with the problem of competing in an IBM-dominated world.

But its personality crisis may be over. Three years of internal turmoil at Sperry could finally be drawing to a close. After a bruising round streamlined Sperry is emerging with its ambitions focused clearly on its traditional mainline computer and defence electronics businesses

Sperry's new strategy was niderscored late last year by the promotion of Mr Joseph Kroger, a tough 51-year-old Chicago-born marketing veteran and head of the group's infor-mation systems division, to the post of president. Mr Kroger's ascendancy to the Number Two spot came in the wake of two aborted takeover bids for the group

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The takeover bids by ITT and Burroughs brought to the surface a rumbling factional dispute within Sperry's senior management. In one corner stood Mr Kroger and his boss, 62-year-old Mr Gerald Probst, Chairman of Sperry, who believed that with the right products Sperry can survive as an independent company in the computer industry. In the other camp was Mr Vincent McLean, the group's chief financial officer, the leader of a band of dissenters who favoured either a break-up or

When the dust from the failed talks settled, Mr McLean, the man widely credited with clean-ing up Sperry's balance sheet, had quit. The reshaped management team is betting Sperry's future on its \$4.2bn-a-year combusiness and a strategy develop itself as an integrated systems supplier providing a full range of hardware, software

and back-up services.

The group has abandoned its historic "go-it-alone" mentality, becoming an aggressive re-seller becoming an aggressive reseller
of other companies' products.
It has also ramped up R and D
spending and realigned the
management of its computer
operations by putting salesmen
in charge of a business once
dominated by engineers.
Mr Jan Lindelow, the
Swedish-born head of commer-

from an acute identity of change from being a very crisis. Few of its competitors passive conglomerate in the 1970s through the divestments of New Holland and Vickers Hydraulics."

The key challenge facing Mr Lindelow and Sperry's other new line managers is to halt any further erosion of the group's customer base and build upon its existing strengths. Although defence business remains important to of management changes and business remains important to sweeping asset sales, a new the new Sperry, commercial computer operations accounted

IN THE SHADOW



for about 60 per cent of its fiscal 1986 \$5.74bn in revenues. ranking it as the fourth largest computer group in the US.

The need for changes in the computer division has been painfully obvious. Sperry, which claims the second largest installed mainframe base to IBM, worth in excess of \$17bn, has seen its hold over the marketplace wane. From satisfying 90 per cent of its customers' ing 90 per cent of its customers' computer equipment needs in the late 1970s, the percentage dropped to around 60 as customers turned to rival suppliers.

To reverse that trend, Sperry has broadened its product line. R and D expenditure. is targeting vertical industry segments, refocusing its sales efforts and expanding its sales force. While Mr Lindelow says the group recognised this need five years ago, he adds: "I don't think we stepped up to bat."
Today he and other Sperry
insiders insist that has changed.

One aspect of this shift is dramatic realignment of Swedish-born head of commer Since Messrs Probst and Kroger Analysts warn that reliance shine on Sperry's financial cial marketing and former began pushing Sperry in new general manager of Sperry's directions, Mainframe sales, high-risk game, exposing the commercial computer

MORE than any of the other Information Systems group's which used to account for over company to factors ultimately revenues and operating profits objectly has suffered in recent "Sperry has gone through a lot years from an acute identity of change from being a very like other US maindropped to around 55 per cent. Sperry, like other US main-frame vendors, has rushed to supply the smaller computers and PCs which its customers had been demanding. Personal computer sales have grown from virtually nothing 18 months ago to a \$400m-\$500m-a-year busi-

ness, according to Mr Lindelow. 1984. Another element in the On the other hand, Sperry, strategic redirection has resulted in Sperry turning increases may have little choice than to in-house. For example, Mitsu-company's dilemma was illu-

46.81 286.7

factures one of the group's smaller mainframe machines.

Other computer equipment bear-ing the Sperry label is supplied by NCR and Computer Consoles

Across the board, Sperry has abandoned its once proud "not-invented-here" bias in

Net profit

haven't always paid off. After the fiscal year ended March investing heavily in Trilogy, the West Coast joint venture firm profits in the defence and which was to have developed a aerospace operations caused by new generation of high-power a strike computer chips—an effort since problems. abandoned-Sperry was forced to take a \$24.1m writedown in

ingly to outside suppliers for seek outside help if it is to products it has not developed stay in the technology race. The

122.3 200.9

1982

Sperry insiders play down the

1921

288.4

THE KEY FIGURES*

Revenues 5,740.8† 4,972.1† 4,914.0 4,663.6 5,045.3 4,896.1

200,9

* Fiscal years ending March 31. † Restated to exclude Sperry New Holland revenues of \$332.9m in 1986 and \$715.1m in 1985. ‡ After \$233.2m in losses from discontinued operations.

bishi, the Japanese electronics strated by its decision to turn group, supplies Sperry's IBM- to Hitachi, the Japanese comcompatible PCs and also manuputer maker, for peripheral

strike and production

Excluding special gains in the year-ago period and a \$233.2m after-tax loss from the now discontinued New Holland farm equipment business. Sperry posted a 7 per cent advance in fiscal 1986 operating profits. And although Mr Probst remains cautious about near term year-on-year quarterly comparisons—and the outlook for the US computer industry as a whole—he says he remains "optimistic" that revenues and profits in both the commercial computer and defence and aerospace businesses will grow

in the current fiscal year. In the latest quarter, he noted, commercial computer operations posted revenue and operating profit gains of more than 20 per cent—helped by strong orders and the weakening dollar. "We are also ening dollar." puter maker, for peripheral equipment late last year—a deal which is already beginning to generate new products including high-power optical disk subsystems.

In mitacin, the Japanese computer also end couraged by growth in our low-couraged by growth in our low-creasing evidence that our Unix more products including high-power optical disk subsystems. We project that our top-of-thewe project that our top-of-the-equipment which runs
AT & T's industry standard
Unix operating system as well
as Sperry's own 1100 operating
Sperry's own 1100 operating

subsystems.

"We project that our top-of-theline 1100/90 computer orders
and shipments will continue at
needs help designing its next
generation of mainframe low-end microcomputer line

reds help designing its next generation of mainframe machines. As part of the agreement with Hitachi, both companies said they plan to evaluate each other's technology in order to determine if there are mutual benefits to be favour of taking "make-or-buy" logy in order to determine if falling trom aimost decisions. The result is a plethora of agreements and reselling contracts with external asset sales and a recent debt

Sperry's new strategy is also apparent in its use of research and development dollars. Sperry's has stepped up its own computer R and D spending dramatically to around \$420m a year and plans to spend \$2bn on computer R and D over the next five years—75 per cent of the company's overall projected R and D expenditure.

While even that sum pales into insignificance against the giants of the computer industry, IBM and the Japanese, Sperry is seeking to leverage its limited financial and engineering resources through joint wenture agreements and other

ing resources through joint wenture agreements and other partnerships, hoping that these will provide it with the technologies, about it with the technologies, and the technologies are the technologies, and the technologies are the technologies the tec new management team to prove him wrong—and despite Wall Street's doubts and the latest merger rumours, they appear determined to try to do so.

sales have helped put a new financial Previous articles in this series appeared on April 29.- April 23 and computer April 22.

NOTICE OF REDEMPTION

THE PROCTER & GAMBLE COMPANY

Extendible Notes Due December 15, 1994

NOTICE IS HEREBY GIVEN that, pursuant to paragraph 7(c) of the Terms and Conditions of the Notes described above (the "Notes") the Company has elected to and shall redeem on May 19, 1986 (the "Redemption Date") U.S. \$32,000,000 aggregate principal amount of Notes at a redemption price of 101% of the principal amount thereof (the "Redemption Price"), plus are redemption price of 101% to the Redemption Date in the amount of \$46.52 for accrued interest from December 15, 1985 to the Redemption Date in the amount of \$46.52 for each \$1,000 principal amount of Notes. The serial numbers of the Bearer Notes selected for redemption are as follows:

OUTSTANDING BEARER NOTES IN THE DENOMINATION OF U.S. \$1,000 EACH BEARING THE FOLLOWING SERIAL NUMBERS: THROUGH OUTSTANDING BEARER NOTES IN THE DENOMINATION OF U.S. \$10,000 EACH BEARING THE FOLLOWING SERIAL NUMBERS:

THROUGH THROUGH

The Notes shall become due and payable on the Redemption Date at the Redemption Price, plus accrued interest, which shall be paid upon presentation and surrender of the Notes, together with all coupons thereto appertaining maturing after the Redemption Date, at the paying agents litted below:

The Notes to be redeemed will no longer be outstanding on and after the Redemption Date. The Protes to be redeemed will no longer be outstanding on and after the Nedemption Date, interest on the Notes will cease to accrue from and after the Redemption Date, the coupons for such interest shall be void, and the sole right of a Note holder shall be to receive the redemption price plus interest accrued on such Note to the Redemption Date.

Payments at the office of any paying agent will be made by check drawn on a Bank in New York City or by transfer to a dollar account maintained by the payee with a bank in Europe. Following this redemption, U.S. \$65,000,000 aggregate principal amount of Notes will remain

PAYING AGENTS

Morgan Guaranty Trust Company of New York Morgan House, I Angel Court London ECCR 7AE, England

Morgan Guaranty Trust Company Avenue des Arts 35 B-1040 Brussels, Belgium Union Bank of Switzerland

Bahnhofstrasse 45 CH-8021 Zurich

Morgan Guaranty Trust Company of New York Mainzer Landstrasse 46 6000 Frankfurt-am-Main

West Germany Amsterdam-Rotterdam Bank N.V. Herengracht 595 Amsterdam The Netherlands

Kredietbank S.A. Luxembourgeoise 43 Boulevard Royal Luxembourg, Luxembourg

THE PROCTER & GAMBLE COMPANY

By: Morgan Guaranty Trust Company OF NEW YORK, Fiscal and Paying Agent

Dated: April 18, 1986



Aztec West is Bristol's pride-andjoy business success. A unique and stunningly impressive landscaped business park, it covers 170 acres of which 125 acres are for building development.

logical clout it needs for the growing personal computer

To date, Aztec West has attracted a high calibre of different tenants to expand their interests within the site and current big names include Tesco, Wiggins Teape, STC, Kiddicraft, IBM and many more!

And the park has a multitude of advantages over other locations - good rail links, close proximity to the M4/M5 and Bristol Airport, a wide range of onsite facilities such as a helicopter pad, executive trim trail, CCTV security and

superb landscaping.

To any business, Aztec West offers limitless potential - cut yourself in on our success.

Contact us right away for a visit.





Richard Ellis

gn of Successful Growth

AZTEC WEST WHERE YOU CAN SEE THE BEAUTY OF YOUR BUSINESS GROWING.



Carla Rapoport on a financial market's next liberalisation moves

Stage set for upheaval in Japan

Quiet day as traders worry about summit

placed warrants into next may be activated from May this week's auction of the new 30. year until April 1987,

instruments was illustrated yes-terday when Metrill Lynch's The warrants may be exercised Most of these deals are trading southern California gas bond, recent deal for Citicorp was between August this year and at substantial discounts to issue which slipped to 93.

All these securities having been sold, this announcement appears as a matter of record only.

THIS YEAR is proving to be a crucial testing time for financial liberalisation in Japan.

Unlike the sweeping changes which marked the opening of the Euroyen bond market in this summer, at which time lending rate is at a record low some of these measures are of 6.4 per cent: "So now is a good time to do it as demand for the new instrument would exceptions first," a MoF official below." which marked the opening of the Euroyen bond market in late 1984 and 1985, the liberalisation measures taken so far this year have been mostly fine-tuming. Within the course of 1986, however, the excite-

ment is expected to return. Banks and securities houses expect measures to be taken in three important areas: Long-term Euroyen loans to Japanese borrowers.

cial paper,

Widening the Euroyen bond

controversial as they will chal-lenge the established order dividing securities houses from dividing securities houses from banks, as well as the division between Japan's long-term and short-term credit institutions.

The Ministry of Finance (MoF) confirmed that all three residents, mostly foreign subsidiaries are under active considiaries of Japanese companies, and reached a total of Y1,100bn of sideration. A report on a had reached a total of Y1,100bn clal paper market because they ing year may perhaps be an number of sensitive isues is (\$6.6bn) by the end of specialise in short-term lending. expected from the Financial last year. The MoF pointed out, The securities houses say it official commented yesterday.

THE MAY DAY holiday in

Europe ensured very quiet trad-

ing of Eurobonds in London yesterday. Where they moved,

prices of dollar Eurobonds were

Eurobond traders watched the downward slide in prices of long-dated US Treasuries and worried about the outcome of

the weekend economic summit in Tokyo, and next week's

New deals in this lethargic market attracted little attention.

Morgan Guaranty's \$100m seven-

year bond for Long-Term Credit Bank of Japan contrasted, how-ever, with the recent stream of

Japanese issues for US borrowers. With a 71 per cent

coupon and 101 issue price, the deal gave a net spread of 0.55

per cent over Treasuries at launch, which the market thought fair enough. Morgan Guaranty quoted a bid price just inside fees of 14 per cent.

The greater resilience of the floating rate note market to recent nervousness about dollar

point lower on the day as

expected to be announced.

"It's easier to clear up the exceptions first." a MoF official said this week, referring to recent deregulation steps in the Euroyen bond market which have allowed the introduction of dual currency bonds, FRNs and other new instruments. and other new instruments.
"Now we are discussing things
which really undermine the
current structure of the
domestic market," he said.
In the case of long-term
Euroyen lending, for example,

isuers' circle to include foreign banks.

All of these moves will be controversial as they will challenge the established order dividing securities houses from the control of the control

increased from \$300m to \$500m because of strong demand. The

bid price on the bond yesterday

Traders said that Wednes

day's \$200m floating rate note for Bank fuer Gemeinwirt-schaft has performed well, though the price has fluctuated

At the speculative end of the

market, Shearson Lehman Brothers announced that it had

placed warrants into next

year US Treasury. These are termed "split fee" warrants,

since an up-front payment of \$16.5 covers the purchase of the

warrant, and there is an addi-tional cost for the option to buy

or to sell the Treasury bond that the warrant bestows.

There are 100,000 call war-

rants which at a price of \$45% give the option to buy at three points above the average auction price, and 100,000 put

warrants which, for \$471, give the right to sell at five points

the 60 basis points total fees.

But a Bank of Tokyo execu-tive said: "This long-term Euro-yen lending will provide the destruction of the system. We need to make some fundamental changes first. We need a kind of rationalisation of the domestic scene."

This appears unlikely happen in the fraught area of interest rate regulation. In the short-term financial instrument sector, however, things look somewhat less complicated.

The commercial banks say they should handle the commer-

January 1987.
Salomon Brothers Inter-national launched the 10th and

11th of a series of traded war-

rants issues exchangeable for

US Treasuries. There are 500,000 warrants for the Treasury 8 per cent 1988, at an issue price of \$8\frac{1}{2}\$ each and exercisable at 102\frac{1}{2}\$. There are 250,000 warrants for the Treasury 8\frac{1}{2}\$ per cent 1991, priced at \$16 each and exercisable at 105\frac{1}{2}\$. Both forms of warrant may be activated from May this

Daiwa Europe priced the equity warrants issue for

Nichumen Corporation. The coupon was set at 24 per cent.

against an indicated 31 per cent.

The warrant exercise price was

set at Y338 per share, representing a 2.74 per cent premium

over the closing price on the shares. The exchange rate was

Swiss bankers no doubt found

time to ponder, over the public despite a swiss franc/dollar holidays, the poor performance exchange rate below that fixed

of the recent crop of dual on the bond. This contrasted currency bonds in their market. starkly with the level on the

set at Y169.65 to the dollar.

Treasuries. There are

ing securities. But if the securi-ties houses get the business, the banks will cry that yet another leg has been cut out from under them. It appears, already, that some Japanese style compromise will be hammered out between the two warring factions.

Finally, the question of foreign banks' issuing Euroyen bonds bring up, again, the division between the functions of Japan's commercial and long-term credit banks. The MoF said it was under pressure from foreign banks to allow them into the Euroyen bond market Japan is seriously considering and that it was inclined to grant the introduction of a commer the right. But the ministry cial paper market and may fears the wrath of the Japanese the introduction of a commercial paper market and may begin issuing guidelines by the end of this year for both a domestic and Euroyen market. The battle here will be between the securities houses and the commercial banks.

The right. But the ministry fears the wrath of the Japanese commercial banks, which will insist on similar treatment. If granted, this liberalisation will set off the long-term credit banks, who currently enjoy the franchise for issuing long-term interprets of the conduction of the interpret of the right. But the ministry fears the wrath of the Japanese commercial banks, which will be set off the long-term credit banks, who currently enjoy the franchise for issuing long-term. instruments such as bonds.

"To say it will be an interest-

price. Known as FIPS (foreign

interest payment securities), they differ from conventional dual currency bonds in that

they pay interest in dollars but

are redeemable in Swiss francs.
Controversy surrounded the
put options on the bonds, since,
if the dollar falls below a
specified point, the investor
receives a proportionately
smaller amount while he

smaller amount, while he receives only his SFr 5,000 per bond if dollar moves higher. Many of the issues have had

fixed exchange rates below which the dollar has already

fallen; Standard Oil's issue, for instance, had a fixed exchange rate of SFr 2.01.

attribute the failure of the later FIPS to the names of their

issuers. The first of the deals, for well-known PepsiCo, was increased from SFr 200m to SFr 400m and still was trading

on Wednesday at 1021. General Electric's deal traded at 991.



Mr Stanislas Yassukovitch: credibility of international securities trading system at

Concern at regulatory disharmony

THE TREND to globalisation of international securities trading will not work unless a greater degree of regulatory harmony is achieved between individual financial centres, Mr Stanislas Yassukovich, chairman

of Merrill Lynch Europe, said in London yesterday. National systems for regulat-ing securities markets were far more diverse than those for regulating banks which applied when the Eurocurrency banking market started in the 1960s, he said in an interview Consistency of treatment was now likely to become a big issue in the securities field. The concern was not that

Mr Stanislas Yassukovitch talks to Peter Montagnon. Our Euromarkets Correspondent

there was likely to be a single cataclysmic disaster, but that "one is worried that there may be a series of problems that strain the credibility of the whole system." Business also tended to flow naturally towards the most liberal centres, which led to unsonud competition based purely on relative regulatory freedoms, he said.

essentially a tax on industry, rather than on investors, and the Treasury should eliminate it entirely, he argued.

N. AMERICAN **QUARTERLIES**

BROWNING-FERRIS INDUSTRIES

West disposal		•
Second quarter	1985-86	1984-85
Revenue Net profits Net per share Set months	317m 28.4m 0.40	270m 24m 0.34
Revenue	633.2m 58m 0.82	535.1m 49 2m 0.71
GENERAL RE Reinsurance		
First quarter	1985	1985
Not per share	708.3m 56.3m 1,13	478m 29 7m 0.66
NOVA ALBERTA Energy		
First quarter	1986 \$	1985
Net profits	789m 26.3m 0.04	873 7m 31.6m 0.08
ST. PAUL COMPANIES		
First quarter	1986	1985
Op. net per shere * Before capital gair tax credit.	778.4m 24.4m 1.18	
W. WRIGLEY JR. Chewing gum		
First quarter	1986 \$	1985
Revenue	157 4-	377_

Utd. Tech signs \$1bn commercial paper deals

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

UNITED Technologies, the US cial Services subsidiary.

defence equipment and automotive company the Sikorsky subsidiary of which led the rescue of Britain's Westland helicipater company context conserved and the grammes, for which Company context conserved and the context conserved and the context context context of the context context of the context context of the context of th copter concern earlier this year, has signed up \$1bn worth of commercial paper programmes in the Euromarket.

The deal is the largest specified amount yet for an industrial paper and marks. trial company and marks a fresh endorsement of the fast-

growing Eurocommercial paper market by US borrowers. It is market by US borrowers. It is divided into twe separate programmes of \$500m apiece, one for United Technologies itself and the other for its UT Finan-

United Technologies expects to begin selling paper next week under both the programmes, for which Citicorp has been appointed sole dealer. Proceeds will be used to fund the company's European opera-tions rather than simply to arbitrage with the US commer-cial paper market in the style of many US corporate borrowers.

The deal is denominated in dollars, but United Technologies reserves the right to issue paper in other currencies, such as sterling, when they are avail-

able and when it has a gen able and when it has a genuine need for them.

The company's US commercial paper has the top AI FPI rating from the US rating agencies Standard & Pun's and Mondon and is well broads. Moodys and is well known in the Eurobond market where it pioneered the opening of the Euro-lira bond market last autumn
Only one other issuer is
launched a \$1bm programme
but that was a bank Mitsubish rust and Banking, where the certificate of deposit programme for that amount was launched through Salaman Danieled

financial Time

Elders

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Sarios Salas allowed num stake allowed legislation, has by Elders Arm

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YOREA SECURITY PRI

Kahmanda

INTE

through Salomon Brothers in the end of March.

Upturn at Ivory Coast banks

SHARPLY IMPROVED results improvements last year. have been reported for last year by two of the leading banks in the Ivory Coast. Societe Generale de Banque

en Cote d'Ivoire, the largest bank with 36.8 per cent of total deposits, increased net profits by 105 per cent to CFA 1.25bn (\$3.6m) and distributed a divi-dend of 10 per cent for the year

This was achieved despite a 92 per cent increase in pro-visions for loan losses incurred during previous recession years.

As well as a "very alarming" CFA 182hn.

increase in bank robberies, SGBCI spent \$2m on security carried by the secu

"A particularly favourable economic climate" was responsible for the improved perform-ance, according to Mr Tiemoko Coulibaly, its president. Record cash and food crops resulted in a big increase in farmers' revenues and recovery in internal demand. Real gross domes-tic product rose nearly 5 per cent in 1985, reversing a three-

year decline. SGBCI's lending rose 9.3 per cent to CFA 378.3bn while deposits rose 20 per cent to

dentale en Cote d'Ivoire (Riss CI) has reported its first profit four years. Net earnings totalled CFA 244.6m after substantial provision had been made for loan losses. The balance sheet remained unchanged at CFA 167.4bn. A similar profit was forec

for the current year by Mr. Arnaud de Montiguy, director-general, adding: "There is a definite recovery after a year. difficult period." The ending of interest payments on current accounts in January 1985 helped improve

Unusual structure for Molson facility

BY OUR EUROMARKETS CORRESPONDENT

Molson, the Canadian brewing, issue five-year floating rate investors at par on each interest chemical and retail concern, is notes through a tender panel payment date. As far as note raising \$75m in the Euro-rather than the short-term holders are concerned this gives markets through a six-year paper which is more normal the paper the characteristic of facility arranged by Credit under such deals. Suisse First Boston and Morgan Underwriting banks, which

The facility bears a relatively fee of 10 basis points on the unusual structure in that it deal will undertake, however, provides for the borrower to to buy the notes back from

Maximum margin on the are to receive an annual facility notes is 12.5 basis points. Bank of Montreal is facility agent; while Morgan Grenfell is

issuing and paying agent.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on May I

regulatory freedoms, he said.

Echoing an earlier call by Mr Robin Leigh-Pemberton, Governor of the Bank of England, for more international co-operation in securities market regulation. Mr Yassukovich said such regulation might not appear to be in the best short-term interest of the securities industry, but should be acceptable to the industry "if it has its long-term health in mind."

One problem was that central banks, which were becoming the natural focal point for regulation of financial innova-regulation of financial the natural focal point for regulation of financial innovation. were not necessarily equipped for that role, while regulatory bodies in the securities industry itself had no structure for setting co-operation in motion.

This would not be easy, partly because of the different historical development of individual financial centres with stock exchanges. commercial banks and other bodies playing roles of varying importance. Some centres also had a tradition of self-regulation. while others relied on statutory bodies, he said. Some, such as London, were also undergoing a transition and it was not yet clear how the regulatory framework would evolve.

"It really is a complete mismatch... There should be a serious study of different alternative methods of achieving a greater cohesion." he said.

Separately Mr Yassukovich criticised Tuesday's decision by the UK Treasury to cut the proposed tax on the creation of American Depositary Recelpts to 1½ per cent from 5 per cent. Even at this level the tax would still impede the market: it was essentially a tax on industry, rather than on investors, and the Treasury should eliminate

Hands WW 37, 90 Fi ... 100
Honds XW 37, 90 Fi ... 50
Thyssen 77, 90 Fi ... 50
Werstance 72, 90 Fi ... 50
Westance 73, 90 Fi ... 50
Tathse. Forts 85, 91 FFr
Amev 11 93 £ ... 50
Australia Com. 11 92 £ 40
GMAC UK F. 107, 90 £ 30
Imp. Ch. Ind. 113, 95 £ 100
Imp. Ch. Ind. 113, 95 £ 100
Imp. Ch. Ind. 103, 92 € 75
Inv. in Ind. 1. 10 93 € 60
Inv. in Ind. 1. 10 93 € 60
Inv. in Ind. 107, 90 £ 50
McPCC 107, 2003 £ ... 75
Nat'nwide BS 104, 93 € 75
NSW Treasy. 104, 93 € 60
Inshee Forts 114, 90 € 60
Yeard Bank 114, 95 £ ... 600
N. Lux. Al. 104, 92 LFr
FLOATING RATE

CONVERTIBLE BONDS

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ROYAL

Royal Trustco Limited

Issue of £50,000,000

93/s per cent. Bonds Due 1991 of which £25,000,000 comprises the Initial Tranche

Issue Price 100 per cent.

J. Henry Schroder Wagg & Co. Limited

Union Bank of Switzerland (Securities) Limited

CIBC Limited

Barclays Merchant Bank Limited

Credit Suisse First Boston Limited

County Bank Limited

Deutsche Bank Capital Markets Limited

McLeod Young Weir International Limited

Daiwa Europe Limited EBC Amro Bank Limited

Robert Fleming & Co. Limited

Generale Bank

Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd

Nomura International Limited

Sumitomo Finance International

S.G. Warburg & Co. Ltd.

Wood Gundy Inc.

Merrill Lynch Capital Markets

The Nikko Securities Co., (Europe) Ltd. Rabobank Nederland

The Royal Trust Company of Canada

Société Générale

Swiss Bank Corporation International Limited

Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

April 1986

TO COMPLEMENT AN POCNE THE SEGUL OL

HOLLA A SUBSIGIAT, has fulfilled i by making a shares of its r

HAG has issue

BY LACHLAN DRUMMOND IN SYDNEY

THE COLLAPSE in oil prices has required Bridge Oil to sell its. 15 per cent holding in Santos, another Australian explorer and producer, at a A\$73m (US\$54.1m) loss to

The Santos shareholding, the maximum stake allowed under state legislation, has been bought by Elders Resources, which is 20 per cent shareholder in Bridge and is in turn 48 per cent owned by Mr John Elliott's Elders IXL.

Elders Resources is paying a nominal A\$3 for a Bridge sub-sidiary, which owns the 36m This c Santos shares, but over the next 14 months will repay A\$166m

BROKEN HILL Proprietary (BHP), Australia's largest company, yesterday described the latest partial bid from Mr Robert Holmes a Court's Bell Resources as "an aftempt to gain control ... at an entirely inadequate value," Our Financial Staff writes.
It pointed to several escape

of loans extended by Bridge to

This compares with a market

provisions in the offer, which it valued at A\$7.50 a share ex dividend. These would enable Bell "to walk away without taking shares for which acceptances

lodged." The value of the residual half of each holding would be at risk, BHP added,

of loans extended by Bridge to the subsidiary, giving an effective purchase price of A\$4.61 Ansett Transport Industries.

a share. Meanwhile, Elders Finance, a subsidiary of Elders IXL, is

letter-of-credit support to the company, while Elders Re-sources will be taking up its entitlement to a one-for-one options issue announced yesterday by Bridge.

Record

subscription

Pacific float

By David Dodwell in Hong Kong

WOULD-BE investors in

Cathay Pacific Airways, Hong

Kong's unofficial flag carrier, have subscribed a record HK\$51bu (US\$6.57bu) in the

biggest corporate flotation

ever mounted in the territory,

trancial advisers to the issue revealed yesterday.

The public offering, of 15 per cent of the airline's

shares, worth HK\$1.54bn. was

offer, with a further 10 per cent carmarked for Cathay staff, oversubscription for the remaining 226m shares amounted to more than 56

The total subscribed is more

than twice the HK\$19hn total of coins and notes in circulation in Hong Kong, and amply outstrips the

money supply, which amounts to IK\$40bn as measured by

Subscription was so substantial that Cathay's two existing shareholders - Swire Pacific

with a 70 per cent holding,

and Hongkong and Shanghai Bank with 30 per cent—are expected comfortably to cover the HK\$55m cost of the Botatlon out of interest

32.6 times oversubscribed. Since a group of 11 institu-tions were assured of 33 per

for Cathay

Bridge has been caught in the vice of falling oil prices and the requirement to make additional security deposits with its lenders as the underlying value of its interests in the Cooper Basin oil province and in Santos has fallen below agreed levels.

As well as its remaining oil and gas interests, Bridge has a 40 per cent stake in the Aredor

price of A\$3.60 but will still extending a A\$30m unsecured 40 per cent stake in the Are leave Bridge with a A\$72m loss loan to Bridge and providing diamond project in Guinea. State Bank of India plans venture in Nepal

BY R. C. MURTHY IN BOMBAY

STATE BANK OF INDIA, the country's largest commercial bank, is in talks with Nepalese businessmen aimed at setting up a joint venture bank in the capital, Kathmandu. This follows the Nepalese Government's decision to allow foreign banks to open branches in the

upgrade its Milan representative to Rs 5.27bn (\$427.8m) from tive office into a branch, according to Mr D. N. Ghosh, its chairman. He said the expansion is part of a two-pronged strategy of expanding in 1985, the State Bank had 41 banks. strategy of expanding in regions which present new opportunities and of consolidating assets and operations at centres where problems have

offices in 27 countries and 7,432

Profits rose by a third to follows the Nepalese Government's decision to allow foreign ing assets and operations at the Himalayan kingdom with local participation.

State Bank also plans to opportunities and of consolidating assets and operations at the centres where problems have several fold last year and strengthened its published Rs 22.60bn. The dividend is reserves to lift its owned funds, being maintained at 25 per cent.

which 40 cents was paid out.

Amrel

manages South

Tongaat-Hulett payout cut | Profits slide at SAB units

KOREA SECURITY PRINTING AND MINTING CORPORATION

REVOLVING LOAN FACILITY

FOR THE PURPOSE OF FINANCING THE

MINTING OF GOLD COINS

TO COMMEMORATE THE 1968 SECUL OLYMPIC GAMES

SAMUEL MONTAGU & CO. LIMITED

POONGSAN METAL CORPORATION

ACTING ON MEASURE COMMITTEE

SAMUEL MONTAGU & CO. LIMITED

FIRST

PACIFIC_ **HOLLAND PACIFIC B.V.**

A subsidiary of First Pacific International Ltd. has fulfilled its contractual obligations by making a technical bid for all of the shares of its majority-owned subsidiary

HAGEMEYER N.V.

Subsequently

HAGEMEYER N.V.

has issued 769,681 new shares

The undersigned acted as financial

advisers to the transactions

Arnsterdam-Rotterdam Bank N.V.

The Netherlands

First Pacific Limited

Hong Kong

to a new equity partner

110,000 FINE OUNCES OF GOLD

BY OUR JOHANNESBURG CORRESPONDENT

TONGAAT-HULETT, the diversified food and sugar company to 24.2 cents from 60.3 cents. which manages the Anglo The directors blame poorer American group's interests in Natal province, suffered a sharp reduction in earnings in the year to March, but believes that rationalisation and the sales of some interests have left it in a stronger position.

The total dividend, however,

12 cents a share. to R37.9m from R72.8m.

Earnings per share tumbled trading by the building materials, textiles and industries divisions. They say that the building materials contribution declined substantially, while the textiles and industries sides both suffered a loss.

Only the starches and has been cut from 30 cents to sweeteners division improved 2 cents a share. its profit contribution, the Turnover rose marginally to directors say. The sugar, foods as in the preceding year.

RL85bn (\$902m) from Rl.80bm and aluminium divisions' contri-but pre-tax profits almost halved butions were much the same

BY JIM JONES IN JOHANNESBURG ASSOCIATED FURNITURE has been declared from earn-(Afcol) and Amalgamated Retail (Amrel), the furniture manufacturing and retailing subsidiaries of South African Breweries (SAB), have suffered Amalgamated ings of 48 cents a share. The the furniture previous year's earnings and retailing totalled 80 cents a share, of

from recession Nevertheless, both companies registered improved sales and profits in the second half of the

9 per cent turnover reduction at the halfway stage, improved sales strongly following the relaxation of hire purchase controls in August Accordingly, turnover rose to R309.4m (\$150.4m) for the year as a whole from P205.2m but no

Africa's largest furniture and footwear retailing chains and fell into a loss in the past year despite a 29 per cent rise in second - half furniture sales. financial year to March.

Afcol, which had recorded a Turnover increased R518.2m from R468.7m, but a

pre-tax loss of R941.000 was suffered against a pre-tax profit of R7.59m. A dividend has not been declared as the past year's trading resulted in an attributwhole from R295.3m, but pre-tax profits dropped to R6.11m from R15.85m.

A total dividend of 24 cents

NOTICE OF PREPAYMENT

THE LONG-TERM CREDIT BANK OF JAPAN LIMITED (Incorporated in Japan)

Floating Rate Certificate of Deposit

US\$10,000,000 No. 3 BEG 000001-000010 Issued on 10th June 1983 Maturing 12th June 1987 Callable in June 1986

In accordance with the provisions of the Certificates, notice is hereby given that The Long-Term Credit Bank of Japan Ltd. ("The Bank") will prepay the principal amount on the next Interest Payment Date. 12th June 1986, together with the interest accrued to that date.

Payment will be made against presentation and surrender of the Certificates at the Bank's London office at 18 King William Street, London EC4N 7BR

2nd May 1986

APPAL 1986



NORWEST CORPORATION US\$100,000,000 FLOATING RATE SUBORDINATED CAPITAL NOTES

DUE 1998

For the six months 30th April 1986 to 30th October 1986, the Notes will carry an interest rate of 71/2% per annum with an interest amount of US\$362.19 per US\$10,000 Note.

Bankers Trust Company, London

Agent Bank

earned on the subscription money. This will be invested on the interbank market until May 8, and is expected to Luxembourg, Luxembourg carn at least HK\$7m in Krediethank S.A. Luxembourgeoise folmens Kanal interest a day. 43 Boulevard Royal Enthusiasm over the offer has mounted not singly because of the blue-chip 1091 Copenhagen K., Denmark Luxembourg, Luxembourg because of the blue-chip reputation of Cathay, but because "grey market"

trading in the shares has signalled a handsome immediate profit to successful applicants. The Cathay share are being issued at HK\$3.88 apiece, but have been traded informally at 40 per cent above this level over the past week.

Hongkong Bank, which acted as receiving bank for the flotation, was forced to employ 900 staff overnight on Tuesday to count applications after the deadline for subscriptions closed.

Heavy oversubscription was widely expected, since Hong Kong's banking system has been under Spectacular strain during the past week as prospective Cathay share-holders have withdrawn savings and arranged overdrafts in an attempt to buy

The subscription was more than twice the previous record, set three years ago Elec and Eltek attracted bids worth HK\$22.5bn for HK\$225m-worth of shares. Financial advisers Baring remancial acrisers Baring Brothers and Wardley now face the invidious task of working out a method of allotting shares.

High interest rates hit AGC By Our Sydney Correspond

AUSTRALIAN GUARANTEE Corporation felt the impact of high interest rates in its March half year with net earnings declining by 10 per

cent to A\$46.8m (U\$\$34.7m). The result came after a trebling of its charges against earnings for had and doubt-ful debts to A\$39m as a result of increased small business bankruptcies, pressures on the rural community,

sures on the rural community, heavy write-offs in personal loans, and the need to write down security values in property lending.

AGC, 77 per cent owned by Westpac Banking Corporation, showed an interest cost risc of 23 per cent to A\$409m as its gross income advanced by 14 per cent from A\$622m to A\$706m.

SANDOZ Ltd. SANDOZ Holding Netherlands B.V.

Notice to holders of the 41/4% US\$ Guaranteed Convertible Debentures 1985-1997 of SANDOZ Holding Netherlands B.V.

At the Annual General Meeting of the Shareholders of SANDOZ Ltd. to be held on May 16. 1986, one of the proposals of the Board of Directors will be to increase the company's capital by offering one new bearer share, registered share or participation certificate for every 10 securities of the same category at a subscription price of Sfr. 1800.- per new bearer or registered share, Sfr. 360.- per new participation certificate. The new shares and certificates will be entitled to dividends from January 1, 1986.

In connection with this capital increase, the holders of the 44% US\$ Guaranteed Convertible Debentures 1985-1997 of SANDOZ Holding Netherlands B.V. should note that

a) conversion into participation certificates cum subscription right can take place up to May 12, 1986;

b) the conversion right of the Conversion Debentures will not be exercisable during the period from May 13, 1986 until the publication of an additional notice with regard to the adjustment of the conversion price; such notice will be published in this newspaper as soon as possible;

c) the conversion price will be adjusted on June 2, 1986, after the Zurich Stock Exchange closes trading.

May 2, 1986

SANDOZ Ltd., Basie SANDOZ Holding Netherlands B.V., Amsterdam

NOTICE OF REDEMPTION

KINGDOM OF DENMARK

114 Percent Bonds due 1st June, 1990

NOTICE IS HEREBY GIVEN that, pursuant to the Paving Agency Agreement dated as of June 4, 1980 between The Kingdom of Denmark (the "Kingdom") and Morgan Guaranty Trust Company of New York as Principal Paving Agent under which the Kingdom issued its 11?4 percent Bonds due June 1, 1990 (the "Bonds"), and the Bonds, the Kingdom has elected to and shall redeem on June 1, 1986 (the "Redemption Date") all of the outstanding Bonds at a redemption which of the "Redemption Price"). price of 100.75% of the principal amount thereof (the "Redemption Price").

The Bonds shall become due and payable on the Redemption Date at the Redemption Price which shall be paid upon presentation and surrender of the Bonds together with all coupons thereto appertaining maturing after the Redemption Date at the offices of the paying agents listed below. The coupons for interest due on or before June 1, 1986 should be detached and should be collected in the usual manner.

The Bonds will no longer be outstanding after the Redemption Date and interest on the Bonds will cease to accrue from and after the Redemption Date and the coupons for such interest shall

Payments at the office of any paying agents outside the United States will be made by United States dollar check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number of IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

PAYING AGENTS

Morgan Guaranty Trust Company of New York P.O. 161 Morgan House, I Angel Court London EC2R 7AE, England

Morgan Guaranty Trust Company

of New York 14 Place Vendôme 75001 Paris, France Union Bank of Switzerland Bahnhofstrasse 45 8021 Zurich, Switzerland

Union Bank of Switzerland (Luxembourg) S.A. 36-38 Grand Rue

Morgan Guaranty Trust Company of New York Avenues des Arts 35 B-1040 Brussels, Belgium Morgan Guaranty Trust Company of New York Mainzer Landstrasse 46 6000 Frankfurt-am-Main Den Danske Bank af 1871 Aktieselskah 1092 Copenhagen K., Denmark R. Henriques, jr. Nikolaj Plads 2 1067 Copenhagen K., Denmark Privatbanken A/S Børsgade 4, 1249 Copenhagen K., Denmark Copenhagen Handelsbank

> KINGDOM OF DENMARK By: Morgan Guaranty Trust Company OF NEW YORK, Principal Paying Agent

May 2, 1986

NOTICE OF REDEMPTION TO HOLDERS OF

BANQUE NATIONALE DE PARIS

Kuwaiti Dinars 10,000,000

7³ per cent. Bonds Due 1989

Fifth Mandatory Redemption Due 15th June, 1986, Of Kuwaiti Dinars 1,500,000

NOTICE IS HEREBY GIVEN that, pursuant to condition 5 (A) of the above mentioned Bonds, Kuwait Investment Company (S.A.K.), as Fiscal Agent, has drawn by lot, for redemption on 15th June, 1986, at 100% of the principal amount thereof, through operation of the Sinking Fund, Kuwaiti Dinars 1,500,000 principal amount of said 7½% Bonds due 15th June, 1989, bearing the following distinctive numbers:

00369-00431 04018-04080 07505-07567 00703-00765 04303-04365 07799-07861 01001-01063 04719-04781 08012-08074 08367-08429 02427-02489 05081-05143 02816-02878 08646-08708 05537-05599 03012-03074 05778-05840 09223-09285 03448-03510 05981-06043 09594-09656 03664-03726 06335-06397 09911-09961

The Bonds specified above will become due and payable in Kurwain Dinars at the offices of Kurwait Investment Company (S.A.K.), Mubarak Al-Kabir Street, Kurwait City, State of Kuwait, or, at the option of the bearer, but subject to applicable laws and regulations, at Citibank, N.A., 336 Strand, London WC2R 1HB, and at Banque Nationale de Paris (Luxembourg) S.A., 24 Boulevard Royal, Luxembourg, by cheque drawn on a Kuwaiti Dinar account, with, or by a transfer to a Kuwaiti Dinar account maintained by the payee with, a bank in Kuwait. From, and after 15th June, 1986, interest on the above memioned Bonds will

Bonds should be surrendered for payment together with all unmatured coupons appertaining thereto, failing which the face value of the missing unmatured coupons will be deducted from the principal amount.

The aggregate principal amount of Bonds remaining outstanding after 15th June, 1986, will be Kuwaiti Dinars 5,000,000.

KUWAIT INVESTMENT COMPANY (S.A.K.) on behalf of BANQUE NATIONALE DE PARIS

Dated: 2nd May, 1986

Avni 1986 Emisson Norvell



Communauté urbaine de Québec Province de Québec, Canada

Emprunt obligataire 94% 1986-1996 de 20 000 000 \$ Can.

Banque Internationale à Luxembourg S.A.

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Wood Gundy Inc.

Wellcome, the recently-floated Wellcome, the recently-floated drug company, has produced better than expected results in the six months to March fell by 9.6 per cent. US sales in human health-profits in the six months to th

the group by 19 per cent, from \$1.16 to \$1.43, since the first

marked the shares down by only 2p to close at 188p.

Mr Alfred Shepperd, chairman of Welicome, said the dollar rate had moved against the marked by the marked by the shares drug Zoviray good.

the herpes drug Zovirax, good growth by the muscle relaxant half of the previous year. Cur-rency movements had cost the group £78m in sales and £20m treatment. Despite some price treatment. Despite some price Brazil. erosion in more mature proin profit by comparison with the erosion in more mature proyear before. Turnover fell from ducts and an increase in resuffered from the fact that it
\$507.3m to \$497.8m.

Mr Shepperd said that on a per cent of turnover, at £62.3m comparable exchange rate basis, for the half year, against 11.6 and pre-tax profits by 26 per per cent the previous half—sales were up by 16 per cent underlying margins had im-Cooper's Animal Health, the

joint venture with ICI, made a trading loss of around f1m, besides incurring start-up costs of £0.4m (1985, £2.6m). Mr Shepperd said "the whole farming industry is in some distress. I'd like to see some profits from that business and falling that I don't yet know what we'll do." by the difficulties of sheep farming in New Zealand and dairy farming in the US and

two years, Mr Shepperd said. However, the introduction of the NHS limited list last April had not been as damaging as expected. Wellcome had exexpected. Wellcome had ex-pected to lose £8m of sales on its Actifed cough mixture, but TV advertising had made good some of the shortfall. "Delist-ing didn't hurt as much as expected, but it still burt," Mr Shepperd said.

Nothing much was expected from the UK market in the second half, Mr Shepperd said. He said Coopers had been hit As a result, almost all the underlying growth in profit this year would be exposed to exchange rate volatility.

After taxation of £34.7m
(£38.5m), earnings per share
were down 9.5 per cent at 3.8p.

See Lex

Dalepak coming to market valued at £12m

Although net earnings are ings contributing a significantly shown down from 6.8p to 5.2p higher £3.07m (£341,509) and per share, the directors are gross rents received up from holding the dividend at 6.3p for the year, with an unchanged Mr Mathieson states that the

shares at 107p a share, giving it a value of £11.9m.

Grillsteaks are made out of meat which has been processed by flaking, blending and forming to improve its eating charac-teristics. Dalepak is brand leader in the market with products such as Dalesteaks, Quicksteaks, Steaklettes and

three of the directors, Mr Jonathan Ropner, Mr Michael

property investor and developer,

has reported a reduction in pre-tax profits from £680,120 to £471,758 for 1985.

man, says two factors excep-

been restated following a adds.

Its products are now widely advertised on television outside London and are sold through most big supermarket and freezer centre chain stores.

The grillsteak market has grown rapidly in recent years with estimated retail sales values rising from £3m in 1980 to £67m in 1985. Dalepak claims Quicksteaks, Steaklettes and Ribsteaks, and it also supplies own-label grillsteaks to retailing cent of sales compared with 21 per cent for Bird's Eye and 11 per cent for Ross.

Profits have risen from £77,000 in 1980 to an estimated Hughes and Mr Frank Carr, in f990,000 for the year to the end with it, apart from 1983 when 1976. It set out to make a of last month on sales up from advertising costs rose to fight product like meat but with £2m to an estimated £14.8m, off the intrusion from Bird's easier preparation, consistent quality and no waste, and profits growth in 1983 which the by now be showing signs of

Clarke Nickolls falls to £0.5m

Mr D. Mathieson, the chair- 4.2p final. softening of the investment and, says two factors except The chairman says that 1985 market and, until recently, high

tionally affected the figures: the was a frustrating year with high interest rates, have meant that sale of its 50 per cent interest interest rates — amounting to returns on development activity in Tom Smith, a Christmas £523,742 against £233,778—the have been minimal. Steps are

in Tom Smith, a Christmas for a letting and the delay being taken, he says, to ensure new offices in Berkshire.

The figures for 1984 have are there for the future, he figures for 1984 have are there for the future for the futur

change in accounting policy to Turnover for the year im- the company can investigate capitalise interest on work in proved from £1.35m to £4.32m, cheaper mortgages for the

some 2.1m are coming from existing shareholders and 2.6m from the company, raising £2.2m net to cut short-term borrowings and accelerate the development of new product

Kleinwort Benson and brokers to the issue are De Zoete &

comment The market for grillsteaks has risen by about 30 per cent a year over the last four years and Dalepak's profits have risen

Lower interest rates mean

Dalepak Foods, Britain's biggest supplier of frozen grillsteaks, is coming to the market
through an offer for sale of 4.7m

became one of the first comcompany says was due to a flagging so Dalepak has turned
the one of the other biggest
costs.

Of the shares being sold,
sustain the momentum If the sustain the momentum. If the volumes come through at a level high enough to keep the new factory busy at least £1.5m must be in sight for the current year, putting the shares on a prospective p/e of 12 after a 35 per cent tax charge. This is a much more modest rating than many a small food processor bas come to the market on in the past and puts Dalepak bang in line with the sector. With plenty of scope for growth in the next couple of years and beyond if it sufficiently innovative in product development—the offer should bring a warm response, although a company of this size on the main market is rarely going to

> Flogas, the Irish liquid gas distribution company, announced yesterday plans to raise £2.9m through a placing of shares at 160p to eliminate

In the past year the company has invested heavily in the UK and in Ireland, and the directors expect that this investment will show in a strong

The placing is being arranged

Flogas to raise £2.9m

borrowings and to lay a base

for future expansion. rise in profits for the current



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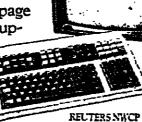
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& National Westminster Bank Group

Bullish defence from **Pegler**

By Lionel Barber

Pegler-Hattersley, the valves to bathroom taps manufacturer fighting at £175m hostile bid from F. H. Tomkins, the acquisitive industrial holding company, yesterday estimated a 19.3 per cent pre-tax profit rise for the year ending last

March.
Pegler also proposed a 37.9
per cent rise in total dividends for 1985-86 to 20p net per share.

In a vigorous defence document seut to shareholders yesterday, Pegler said it expected group profits before tax to be £21.6m and trading profits to amount to £16.2m, an increase of 57 per cent on the previous year.

Tomkins, advised by County Bank, is offering 13 of its shares for every seven Pegler shares. On the hasis of Tom-

shares. On the basis of Tom-kins closing price of 328p, up 2p, the offer is worth 669p for each Pegler share. Pegler closed at 618p, up 28p. There is a cash alternative offer of 529.3p per share. Mr Greg Hutchings, Tomkins' chief executive, said that Tomkins' share and con-vertible offer valued Pegler vertible offer valued Pegier

at 618p. Mr Hutchings said that Pegier's interim figures had shown a fall in pre-tax profits from £8.37m to £8.2m. He said it was important to look at Pegler's long-term record over the past 10 years which amounted to a 1 per cent compound growth rate and a near 50 per cent real decline

near 50 per cent real decline in earnings per share.

Sir Peter Matthews, Pegler chairman, however, said that the figures for 1985/86 showed a "planned profits breakthrough." The increase in trading profits more than compensated for a significant decline in Pegler's South African associate. African associate.

Turning to the Tomkins' bid, Sir Peter said it was in-adequate and illogical. The offer represented a historic price earnings multiple of only 11.7 times and would lead to Pegier shareholders contributing 76 per cent of combined earnings in return for only 59 per cent of the enlarged share capital.

Sir Peter also criticised Tomkins' claims of superior management. "We have not been able to find any evidence for this remarkable assertion. Tomkins' executive directors have a limited track record of running Tomkins own businesses," he said, pointing out that Mr Hutchings had held his post for only two

Pegler, advised by S. G. Warburg, also announced senior management changes. Mr Eric Swainson, currently managing director of IMI, the engineering company, is to join the Pegler board next month as deputy chairman and will replace Sir Peter in July 1987. Mr Tony Wheeler, at present managing director of the valve division, has been nominated group managing director-designate

Brokerage strength lifts Minet profits to £30m.

and there was also an excep-tional write-off of £3.1m for irrecoverable items which the company has identified within

the insurance ledgers. Last time these totalled £2.45m. The second half of the year witnessed something of a slow-down in the company's rate of growth—at falfway pre-lax profits were 43 per cent ahead at £18.44m.

at £18.44m.

The figures announced yesterday contain no contribution from the former Richard Beckett Underwriting Agencies. Mr Raymond Petritt, the Minet chairman, says that the orderly rundown of this business was completed by the year end and the company is no longer trading.

The company continues to receive firm legal advice that it has no liability in the PCW affair, and "will vigorously defend any suit brought against it," says the chairman.

Cadbury chief

Cadbury reported a 25 per

cent drop in pre-tax profits to

£93.3m for the year ending last December. The group partly

yesterday that the strengthening

of sterling against the dollar was likely to affect results in

Commenting on bid rumouts for Cadbury, Sir Adrian said:

"It is clear that size alone is no protection. But we have to con-

centrate on the job and not look over our shoulders."

Whittington Engineering Company, Chesterfield-based metal fabricator, reported tax-

able profits of £99,000 on turn-over of £999,000 for the 10

months to the end of January

£1.43m for the previous year,

Earnings per share were 10.63p (9.48p). There is no final payment making the interim dividend the total of 1.4p

against 4.4p. The directors hope to return to paying two divi-dends a year starting with the

profits

current interim.

Operating (£95,000 (£89,000)

with £100.000 a

Whittington Eng passes final

forecasts a

better year

Minet Holdings, the Lloyd's and general underwriter, lifted taxable profits by 29 per cent to 530.01m in 1985, with its main-stream brokerage operations producing nearly all the importance.

The result, which was much as the City had expected, would have been £3m higher but for exchange rate fluctuations, and there was also an exception and general underwriter, lifted adequate. There are no below cope with the cope wit

Total group turnover rose from £76.49m to £86.25m, producing a trading profit of £17.81m (£10.65m). Other income added £12.38m (£12m), and associates contributed slightly less at £2.46m (£2.82m).

slightly less at £2.46m (£2.82m).
Broking operations accounted for £26.85m of the taxable profit, up from £19.76m, after £65.19m expenses (£60.6m).
Brokerage itself lifted profits by £10m to £77.98m, while net investment income and interest made £11.72m (£10.44m).

Profits from the underwriting Profits from the underwriting company fell by more than £im to £2.03m, but Lloyd's operations saw a much higher return of £1.14m against £492,000, with

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Mills Hero:

Minet must be prefly relieved that investors did not fake offence at year-ray singles. Against the background of a falling market, the underseas falling market, the underseas closed more or less inchenged at 252p. Apparently his market views the insurance provision as genuinely exceptional and has chosen to be cheered by Minet's encouraging lifeting performance instead. The indentitying broking growth of about

performance instead, the underlying broking growth of about a third is far, better than the sector average, party the instruction of a professional indemnity insurance where rates have risen by about 200 per cent. As for other brakers the current year looks less promising, with further short ages of capacity expected, and with exchange and interest rates both moving in the wrong. The company continues to receive firm legal advice that it has no liability in the PCW affair, and "will vigorously defend any suit brought against tit," says the chairman.

Last time there was a £9.3m extraordinary provision mostly in respect of RBUA, and Minet

Daks Simpson improves to £1.6m at six months

Sir Adrian Cadbury, chair man of Cadbury Schweppes, the confectionery and drinks group, told shareholders at yesterday's AGM that current sales were to £1.55m pre-tax in the opening half year. In view of the results and the outlook for the remainder above last year's figures and targets and he forecast a marked improvement in group performance in 1986.

of the year the directors are increasing the interim dividend from 1.5p to 1.75p net—earnings emerged 3.42p higher at 14.63p. They say that despite a noticeable reduction in the number of tourists visiting London, the blamed adverse currency move-ments and Sir Adrian warned

with All but the rainwear provements—the group, side showing improvements formerly S. Simpson make factures and markets men's and to fift its profits from £1.25m women's clothing.

Tax accounted for £620,000 half year.

£217,000 ahead at £931,000.
The year to July 31 1985 saw turnover rise from £32,95m to £39,94m and profits at the pretax level from £1.47m to £2.54m.

DRAYTON CONSOLIDATED Trust raised net asset value by 63.75p to 444.5p in the six months to March 31 1986. Net revenue for half-year amounted tourists visiting London, the speciality store, Simpson Piccadilly, still showed a gain on the previous year's results.

Turnover for the six months to first fax of £614,000 (£743,000). Earning to January 31 1986 pushed ings totalled 4.27p (4.15p) fully ahead from £19.49m to £23.91m diluted. Interim dividend is with all divisions showing im-

DIVIDENDS ANNOUNCED

· . · _		Date C	orre-	Total	Total
Cu					
· · · pa	yment 1	payment	điv.	year	year
Aberdeen Constr	5.7	July 12	5.05	· 8	7.25
Beliwayint	3	July 4	3	<u></u>	7
British Inv Tst	8.6	July 4	8 :	15.2	14.2
Clarke, Nickolls	4.2	July 1	4.2	6.3	6.3.
Daks Simpsonint		June 27	1.5		5.75
Drayton Cons Tstint	2.75	_	2.5		10
Ecobric			nil	0.25	nil
Fleming Far East	0.8	_	0.83*	1	1*
Higheroft Inv		July 3	1.15	2.15	1.95
Keystone Invint	4	June 9	4	— .	101
FJC Lilley	2,56	June 6	2.44	.3.82	3.64
Minet	4.57	_	3.5	8	6.23
MMT Computingint		Јшу 9		_	4
Torday & Carlisle	2,48	_	2	4	3.5
Triefus	0.05	June 16		0.05	0.05
Wemyss Invint	8	July 2	8	_	22
Whittington Eng	nil		3	1.4	4.4
40.1 1 m		_			

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Eleven months to Sept 1985.

NOTICE OF REDEMPTION

SKANDINAVISKA ENSKILDA BANKEN

9% Capital Bonds Due 1991 Redemption Date: June 2, 1986

NOTICE IS HEREBY GIVEN that, in accordance with the provisions of Section 4.01 of the Indenture, dated as of December 1, 1976 between Skandinaviska Enskilda Banken, and Citibank, N.A., Trustee, the entire principal amount outstanding of the above captioned Bonds (the "Bonds") will be redeemed at the entire principal amount outstanding of the above captioned bonds title bonds, will be redeemed at the close of business on June 2, 1986 at a redemption price equal to 101% of their principal amount plus accrued and unpaid interest from December 1, 1985 to June 2, 1986 of \$45.25 for each \$1,000 principal amount of Bonds, for a total redemption payment of \$1,055.25 for such amount of Bonds.

At the close of business on June 2, 1986 the Bonds will become due and payable at the redemption price upon presentation and surrender of the Bonds with all coupons maturing after the redemption date at the office of the Trustee, Citibank, N.A., 111 Wall Street, Fifth Floor, Corporate Trust Services, New York, New York 10043 or at the offices of the paying agents as listed below.

Under the United States federal income tax laws, the payor may be required to withhold 20% of the Under the United States receral income tax laws, the payor that de required to withhold 20% of the amount of any payments made within the United States or to an account maintained in the United States to certain Bondholders pursuant to this Notice. In order to avoid such backup withholding, each tendering Bondholder must (i) provide the payor with the correct taxpayer identification number of the holder(s) of the Bonds and indicate that the Bondholder is not subject to backup withholding by completing a Form Wthe Bonds and indicate that the Bondholder is not subject to backup withholding by completing a Form W-9 or equivalent or (ii) submit satisfactory evidence that such Bondholder is exempt from such backup withholding and reporting requirements. In general, if a Bondholder is an individual, the taxpayer identification number is the Social Security number of such individual. If the payor is not provided with the correct tion number is the Social Security number or such individual. It the payor is not provided with the correct taxpayer identification number, the Bondholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. Certain Bondholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the payor that a foreign individual qualifies as an exempt recipient, such Bondholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status.

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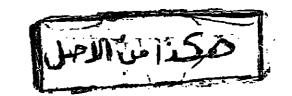
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The Australian I



Associated Heat agrees to £39m French takeover bid

Compagnie Generale de the rare examples of a Contiindustrial heat management,
chauffe (CGC), a French nental company bidding for a
though it has a district heating
yesterday acquired control of
Associated Heat Samples

CGC, which is 80 per centbadly hit by the 1984 UK miners' Associated Heat Services, a owned by Compagnie Generale strike but recovered in the first

CGC, which already held a ended June 1985. 35.9 per cent stake in AHS, went into the market yesterday and bought a further 14.1 per-cent holding at 500p per share, taking its total stake to slightly

and Solar Industries, when it water and steam, was set up in 1966.

District heating

foreshadowed by a statement providing heating. Read, the US-Belgian owned on April 23 that the CGC had made an approach, is one of specialised in commercial and is advised by S. G. Warberg.

British company active in the same area, shortly after announcing a £39.2m agreed cash takeover bid.

CGC which already hold

It operates district heating schemes in a number of French cities as well as supplying heating and energy management services to several hundred more than 50 per cent.

The French company was joint founder of AHS together with the National Coal Board lifts, and the supply of hot

Alone among the founding far less popular in the UK, have had friendly relations with shareholders CGS had retained a stake in AHS which obtained a London stock market listing in May 1982.

District nearing sciences are ing uirector of 7010, 2010.

When the stake in AHS which obtained a control heating systems, comfortable with this arrangement. CGC is being advised by this a more aconomical way of Morgan Grenfell and Dillon. District heating schemes are

CGC is offering 490p cash for every AHS share. AHS's shares rose 47p to 487p yesterday. Shareholders will also receive a second interim dividend of 10p, making 14p for the year ended March 1986 if the also bid succeeds. They may opt to receive a loan note alternative for all or part of the cash offer. Mr Bill Withycombe, manag-ing director of AHS, said: "We

The takeover bid, which was this a more economical way of Morgan Grenfell and Dillon

FII paying £27m for Fyffes

1.4

N.

Fil, the USM-listed Irish importer and distributor of fresh fruit and vegetables, is paying ping interests, of £10.8m.

The Irish group is to pay £5m ping interests, of £10.8m.

The Irish group is to pay £5m by the issue of ordinary shares £26.5m in shares and cash for Fyffes Group, the UK fruit distributor best-known for its banana imports.

This deal will more than double the size of FII, which obtained a USM listing in May 24 of which have banana ripentally in the UK,

FII said the purchase met its

aim of expanding into addi-tional markets. It would benefit from greater purchasing power and economies of scale.

ing facilities.

Fyffes, a wholly-owned subsidiary of United Brands, the US toods group, made a pre-tax profit of £2.9m on turnover of United Brands, the UR£81.9m in the year ended profit of £2.9m on turnover of United Brands and DCC October 1985. It had not assets Corporate Finance.

by the issue of ordinary shares to United Brands; £6.5m by the issue of 7.5 per cent £1 convertible preference shares to United; and £15m in cash, to be partly funded by a vendor

placing Two United representatives will be asked to join the FII

Martin Dickson looks at STC's restructuring ahead of today's AGM

Still a mixed mouthful for a predator

TWELVE MONTHS ago when Sir Kenneth Corfield, the then chairman of STC, the telecommunications and computer group, addressed the annual meeting he said 1985 would he a year of consolidation and the longer-term outlook was highly encouraging.

Three months later STC was in the throes of a grave finarcial crisis and he was ousted in a boardroom coup.

Lord Keth of Castleacre, prime architect of that coup and the man who has teniporarily taken over the chairmanship, is likely to be rather

remarks today to STC's 1996 AGM. Nevertheless, after eight months of internal upheaval he will be able to point to sub-stantial progress in getting the

Circumspicet

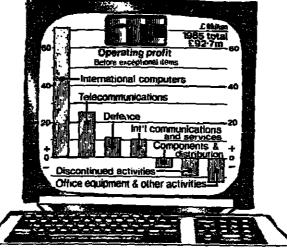
more

group back on to a sounder financial footing. There has been a major programme of cost-cutting, debt reduction and asset disposals and the strategic emphasis has switched from gradiose longterm planning to immediate personnel terms. Most obviously, much of the hoard is new, with the message the company is trying to put across is that the worst is past, the corner has a chief executive arriving last Arthur Walsh, formerly head of GEC-Marconi. been turned.

That may be so. STC has done much in a short period of time to improve its financial position. But questions remain about its longer-term ability to grow its businesses, which face problems ranging from severe competition and lumpy demand to a lack of new products.

This perceived longer-term weakness is one reason why the company remains surrounded by rumours of a bid—or at least of offers for its more attractive components, since many analysts find it hard to see what company would wish to acquire STC and its difficulties en masse. If a bidder was running its

eye over the company, what would it find? In the wake of August's subsidiaries,



coup, the company set about a reappraisal of its core businesses and brought consultants in to look at staffing levels, pay scales and financial controls. A great deal has changed in much of the hoard is new, with a chief executive arriving last September in the form of Mr Arthur Walsh, formerly head of GEC Marconi of GEC-Marconi.

Over the past year the company has cut some 8,000 to 9,000 jobs—with 6,000 of those going since August—reducing total employees to 43,000.

As for identity, STC says that it is an information systems business (i.e. a computer business, through ICL, which it bought in 1984) and a transmission systems business (parts of the old STC telecommunication business) and these two areas are coming together in-creasingly in the market place. There is less emphasis on peripheral businesses and the

manufacture of components. which must make a reasonable return to remain part of the group. Over the past year STC has raised more than £100m from the disposal of some 18

from the sale of various parts of IAL, the aviation-based systems and services business which STC acquired from British Airways for £60m three years ago. This week it announced the sale of the rump of the business to British Tale of the business to British Telecom for £32m,

A number of components businesses have also gone.

One major disposal is still in the pipeline. STC is negotiating to sell a majority stake in its half-completed semi-conductor plant at Foots Cray, Kent, saying it does not want to keep pouring money into such a highly cyclical industry. In all, the disposal programme is likely to reduce group turn-over by about 15 per cent, and

cut that of the pre-ICI busi-nesses by around 30 per cent. Financially, the position looks somewhat brighter. In 1985 the group's profits before tax and exceptional charges totalled £55.5m (£149.8m in 1984) and restructuring costs turned that into a net loss of £45m. This year, latest analysts' projections suggest the company might make £105m pre-tax.

• ICL is now the largest part tions systems—it has installed of the business, accounting last more than 50 per cent of the year for £1bn of STC's total world's supply. But, together turnover of £2bn. ICL's £71m of operating profits accounted for 76 per cent of the group's total, though the profits of the computer business rose only marginally on the previous year's £70.9m.

ICL has recovered well from the crisis it faced a few years ago, thanks to restructuring and cost constraints, and its new series 30 mainframe, the first fruits of co-operation with Fujitsu of Japan, has been fairly well received.

But some major questions remain over its future. The mainframe market is extremely turbulent and IBM is aggressively cutting prices. And while ICL has been boldly trying to reduce its dependence on the mainframe market by developing itself as a specialised systems house though this strategy is not without risks. STC says firmly that it is not for sale. But even if it was, the problems of putting com-

puter manufacturers together means the queue of buyers might be very short. Telecommunications. last year produced operating profits of £25.6m, against profits of £25.6m, against £56.1m the year before, supplies capital equipment, such as

like telex. However, about half of sales are accounted for by TXE exchanges. Orders for these from British Telecom are expected to tail off sharply from this year, though some will continue to be in reprised till the continue to be in service till the end of the century. STC is no longer working on a replace-ment modern digital exchange.

Instead, it is putting its main emphasis on transmission time, nowever, were systems—both long distance remain doubts whether there is trunk fibre optic systems and a place in the international local transmission systems, promarket for an independent commarket for an independent of just viding more sophisticated con- pany with a turnover of just nections to end users.

Where does all this leave the make-up of the group and its growth potential?

Submarine systems. STC remains a world leader in the supply of undersea communicawith IAL, this business pro-duced operating profits last year of only £10.2m, against £28.9m the year before. The business has an in

herently lumpy profits profile because of the size and timing of orders. But while the im-mediate order book appears slim, STC has a strong position in the new market for fibre optic submarine cable, and is building the world's first between Britain and Belgium. It is, in short, a business that prove attractive to a predator.

 Defence, with operating profits last year of £11m on turnover of £91m is a new division, formed to provide the sophisticated electronics and communications required by the modern military machine.

However, its sales last year were flat and much will depend on the development of new products acceptable to a cost-cutting Ministry of Defence.

• Components, which lost £4.6m last year—blamed on a worldwide depression—is now mov-ing to concentrate on several areas which use in-house tech-nology and offer hope of a growcapital equipment, such as ing market. Although some exchanges, and subscriber items recovery is expected this year, analysts say the longer term outlook remains uncertain.

STC's ultimate fate must lie in large measure in the hands of ITT of the US, its former parent, which still holds some 24 per cent of the equity.

The make-up of the business

-coupled with the company's large R and D facilities-would be a very mixed mouthful for any one predator. At the same time. however. there must

Blue Circle sells Sandtex

Blue Circle Industries is sell- paint market had become ining its Sandtex decorative pro-ducts subsidiary to Akzo, the specialist companies.

Akzo Coatings, the paint Dutch chemicals, fibres and coatings group, for an undis-

closed sum. It is Akzo's second recent British acquisition. In Novem-ber it paid £16m for Blundell-Permoglaze, the doss-making

paints group.
Sandtex, best known for its exterior masonry paint, had 1985 sales of about £20m and employs 250 people. It is based at Beddlington, near Croydon. its core activities, while the UK don International Group.

Akro Coatings, the paint division of Akzo, had 1985 sales of 1540m and employs 10,480 people. Completion of the Sandlex purchase is expected by the end of this month.

Wedgwood rejects

Sir Arthur Bryan, chairman of Wedgwood, Yesterday re-peated his advice to share-holders not to sell their shares in the face of the £149m bid Blue Circle decided to sell in the face of the 119m bid because Sandtex was not one of launched last Monday by Lon-

BOARD MEETINGS

dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering durdends. Official indications are not available as to whether the dividends are internet or finals and the subdivisions shown below are based in the content of the subdivisions shown below are based. on lest year's timetable.
TODAY

sells most of Glanfield stake

Gregory Secs

Gregory Securities, the investment company which in January 1985 acquired control of Glanfield Lawrence, the North London motor dealer. after a complex takeover battle, has sold most of its holding. The present board of Glanfield

is to resign.

Gregory, headed by Mr Jim Gregory, chairman of Queens Park Rangers Football Club. has sold a 66.12 per cent holding in Glanfield to clients of stockbrokers Anderson and Co. Co. The Gregory family is retaining a 9.45 per cent stake. As a result five groups, including British Car Auctions have acquired disclosable holdings. BCA, Pacific Invest-ment, Lancaster Gate Finance and HRW Estates have each bought 9.45 per cent while Sturgis Commercial has a 5.2 per cent stake.

A general offer of 704p per share will be made to the remaining shareholders. A new board will take over comprising Mr H. R. Holland, a senior executive of BCA, Mr M. J. Sturgis, senior partner of Sturgis and Sons, estate agents, The Marquis of Reading, a management consultant, and Mr N. J. T. Munro, chief executive of Abbey Lubcock. Gregory won control of Glan-field after a bitter bid battle

Brickhouse shares rise on bid statement

Brickbonse Dudley, the West Midlands engineering group specialising in pipelines and underground drainage systems, yesterday said it had received a bid approach.

Its shares jumped on the news to 130p. up 18p on the day, and valuing the company at about £20m. at 300th £20m.
For the year ended March
1985, Brickhouse reported pretax profits of £1.7m on £37m
turnover, almost double the previous year's profits. For the next six months, it produced pre-tax profits of £864,000 (£765,000) on £19.65m turn-

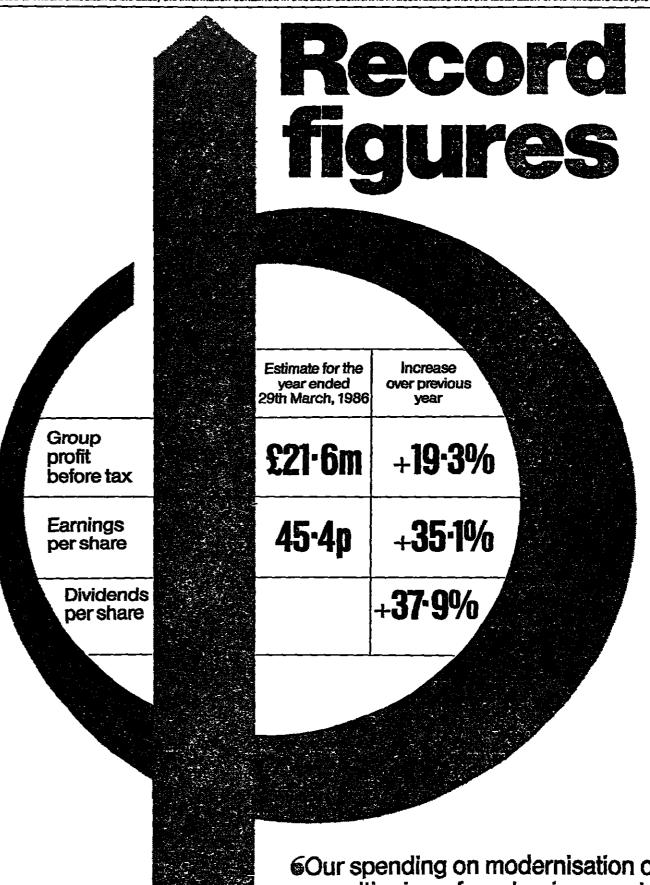
Country Gentlemen's

Shareholders in the Country Gentlemen's Association (CGA) yesterday received a twin barrel of publicity recommending the £7.8m bid from Fredericks Place Group, the financial services company, and urging them not to accept a rival takeover bid from Bestwood, the invest-Fredericks Place, formerly Hill Woolgar, said its share offer for CGA was worth £10.625

per share. Mr Peter Earle, CGA chairman, said his board, advised by Kleinwort Benson, were unan mously advising Fredericks full cash alternative of £8.75 He pointed out that Bestwood which holds 33.5 per cent of CGA, was providing a cash and shares alternative of only £8.25

> LADBROKE INDEX 1.373-1.379 (-15) Based on FT Index Tel: 01-427 4411

The Directors of Pegler-Hattersley pic are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. Each of the Directors accepts responsibility accordingly.



6Our spending on modernisation of plant and the re-positioning of our businesses to take advantage of market opportunities have begun to pay off in increasing returns for our shareholders.9

> -Peter Matthews Chairman

Pegler-Hattersley pic

BASE LENDING RATES

Morgan Grenfell Morgan Grenfell 10; Mount Credit Corp Ltd 10; National Bk of Kuwalt 10; National Bk of Kuwalt 101%
National Girobank ... 101%
National Westminster 101%
Northern Bank Ltd ... 101%
Norwich Gen Trust ... 101%
PK Finans Intnl (UK) 12
PR orbincial Trust Ltd 111%
R. Raphael & Sons ... 101%
Royal Bank of Scotland 101%
Royal Trust Co Canada 101%
Standard Chartered ... 101%
Trustee Savings Bank 101%
United Marahi Bank... 101%
Westpac Banking Corp 101% Beneficial Trust Ltd. 12 %
Brit Bank of Mid East 10 %
Brown Shipley 10 %
CL Bank Nederland 10 %
Canada Permanent 10 %
Cayzer Ltd. 10 %
Cedar Holdings 12 %
Citibank NA 10 %
Citibank NA 10 %
Citibank Savings 110.75%
Citibank Savings 110.75%
Citibank Savings 110.75%
Citibank Savings 110.75%
City Merchants Bank 10 %
Clydesdale Bank 10 %
Consolidated Credits 10 %
Consolidated Credits 10 %
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Continental Trust Ltd 10 %
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Cooperati

The Australian Industry Development Corporation (A statutory corporation, wholly owned and guaranteed by the Commonwealth of Australia) U.S. \$100,000,000

11% PER CENT. NOTES DUE 1990 NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(b) of the Notes, the Corporation will redeem on June 2, 1986 USS6,000,000 principal amount of the said Notes. A further notice specifying the serial numbers of the Notes called for redemption will be published. Currently outstanding US\$39,000,000.

May 2, 1/3/0 By Citibank, N.A. (CSSI Dept.) London Fiscal Agent

CITIBANCO

The Annual General Meeting of the Company will be held on Monday 2nd June, 1986 at Núñez de Balboa 120, 28006 Madrid. The following features are from the circulated statement of the Chairman, Mr. Frédéric Velge.

In view of the trading conditions that existed during the year and the adverse effects of currency fluctuations the profit after tax of £851,490 may be viewed as satisfactory.

The future of the European chemical industry cannot be forecast with any certainty and therefore an increase in the final dividend cannot be recommended. However, the Directors are pleased to recommended a final dividend of 8 pence per share in respect of 1985 which is the same as the previous year.

Trading activities in pyrites were significantly affected by the loss of the Greek market which had the effect of reducing the export sales by approximately one third to 220,000 tonnes.

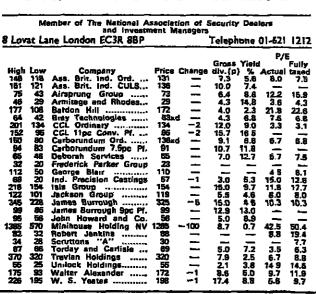
The reduction in mineral trading was partially offset by an improvement in the sale of houses. However, our house development project is now largely complete and without a further investment we cannot expect significant revenues from land development in the forthcoming year. The Board are considering a number of opportunities for future investment in the property development activities of the Company.

I reported last year that negotiations were taking place to secure an outlet for tinders arising from the contract with our Belgian customers. I am pleased to say that a market has been found for these products.

The level of current contracts would indicate that the volume of pyrites trade in 1986 will be similar to that of 1985, however, in the first quarter of 1986 a small additional tonnage has been shipped

The Directors recommend payment of a final dividend of 8 pence r share in respect of the year.

Granville & Co. Limited



Lilley up 27% in spite of competitive UK market

F. J. C. Lilley, the Glasgow-based civil engineer and building contractor, improved pre-tax profits by 27 per cent to £9.54m in the year to end Janu-ary 1986, on turnover 19 per cent up at £357.41m.

The directors say that the progress achieved during the year was the result of organic growth. Market conditions in the domestic construction industry were very competitive, but that the performance of group companies concentrating there was generally in line

with expectations.

American operations showed a return to "modest profitability" in the year, while elsewher e overseas, new pro-jects recently started or in negotiation should make a positive contribution in the future.
The company incurred losses

in the property market, but exposure has been reduced. As regards prospects, the directors say that the continuing pattern of reorganisation and consolidation has been worthwhile. The current order book is at a substantial level, but the full benefits will take

The property side made profits of £588,000, against £23,000 from the more tradi-

against the investment, which now stands at £40,000.

at 3.5p, against losses last time of 4p. There is no dividend

again as there is an accumulated deficit of £207,000 to be

Earnings per share came out

time to emerge.

Growth in earnings per share

up from 7.4p to 7.73p—was
restricted by a higher tax

f131,000 (£148,000 credit) from net profits of £6.32m (£5.77m).

Comment

The time last year Lilley was

HELICAL BAR's increasing say. They add, though, that the

reliance on property develop-ment has resulted in the com-to the dividend list. It last made

Weston-Super-Mare, Bristol, Cardiff and the City of London.

They add that they are en-couraged by the support from

the banks and institutions.
In March Helical Reinforce-

from fixed asset investment.

at the nadir of its fortunes Stringent cost-cutting in this country and restructuring in the US. have hauled the company FJC Lilley SHARE out of the doldrums, but only just. Lilley is still locked in wrangling to resolve its Alaskan and Nigerian contracts and the best the City can expect is pedestrian profits growth for the next year or so. In 1985-86 the company's recovery was 40 1581 82 83 84 85 86 dogged by the sluggish state of its main market, the UK con-struction industry, and the newly acquired burden of borrowings. The balance sheet PRE-TAX PROFIT should improve in the current year and, although the construction industry is still in a sluggish state. Lilley is at least redirecting its activities to-wards the less competitive south of the country. The US division, which was restored to profit with a contribution of 2.5m or so in 1985-86, should produce £3.5m in 1986-87. Lilley is looking towards new overseas markets for growth, charge for 1985/86 of £3.21m against £1.73m. The dividend is increased by 0.18p to 3.82p with a 2.56p final (2.44p). vet neither of its new projects in Algeria and Egypt will filter a 2.56p final (2.44p).
Operating profits of £11.37m
(£8.38m) were before net
interest payments of £1.83m
(£885,000). Minorities took
£131,000 (£148,000 credit) from
net profits of £6.32m (£5.77m). through to profit until 1987-88.
The City expects profits of f11.5m this year which, on yesterday's share price of 88p, produces a p/e of 9.5, slender even for the construction

Torday and **Helical Bar recovery** Carlisle rises boosted by property

to £618,000 Torday and Carlisle continued its improvement through 1985 and for the year raised its profits before tax from £486,000 to £618,000. ment has resulted in the company reporting its first annual
profits since 1981 with a pretax figure for the year to
February 1 1986 of £488,000 operations is growing with property and site purchases in

Wasten-Super-Mare, Bristol,

The current year has started

Turnover for 1985 improved from £13.01m to £14.49m—the group's main activities are the reconditioning and supply of diesel engines, marine and in-dustrial components and the ment manufacture. There was In March Helical Reinforce-however a loss by Saudi Steel ments received one of the Reinforcements for the second largest orders in its history. It year in succession and a prowill be a useful contribution to vision of £20,000 has been made the present year's results. manufacture of pressure relief and safety equipment.

Below the line there were extraordinary credits £394,000 (£38,000).

the present year's results.

Turnover was £7.32m, up 8
per cent from the previous
year's £6.8m with trading profit
of £529,000 (£67,000 loss). Last
time there was £99,000 income The need to pay tax (£211,000) for the first time in two years left earnings at 16.5p (20p). A final dividend, however, of 2.4p makes a net total of 4p (3.5p).

The company's shares are traded on the market made by Granville & Company.

Technology Services comes to market By Alice Rawsthorn

Technology Project Services, which places engineers and technicians within the European defence and electronics industries, has joined the stock market through a

stock market through a placing.

The company is the product of a management buyout from the Grayhound Corporation's US engineering and technical placement agency, Cousuitants & Designers, in 1984. The buyout was led by the current chairman, Mr Richard Avery, and managing director, Mr Michael Doubleday. Ritherto, Technology Project Services had been the European subhad been the European sub-sidiary of Consultants & Designers.

At the time of the buy-out the rompany was valued at £2m; after the placing it will be capitalised at £6.7m.

Technology Project Services now supplies engineers and technicians on long- and short-

technicians on long- and short-term contracts to European blue-chip companies including British Aerospace, GEC, FTT and Pilkington.

Until the early 1980s the company specialised in the defence industry. But round after round of defence cuts prompted it to broaden its income base by expanding into electronics and telecom-munications.

munications,
Around 35 per cent of each year's profits are sourced overseas, chiefly in Italy and West Germany. In 1985 Technology Project Services produced turnover of £6.76m and pre-tax profits of £645,000.

For the future it plans to expend the overseas in the profits of £645,000.

expand its overseas activities, primarily in Europe, although from July 13 it will be released from an agreement struck at the time of the bij-out not to compete against Consultants & Designers in North America.

Through its placing the company will release 1.97m shares or 41.1 per cent of its equity at a placing price of 140p a share. The brokers to the placing are Carenove, and the harkers Schroder

Jaguar set to match German rivals' outlav

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDEN

group, will this year increase capital expenditure steeply to 10 per cent of net sales—the rate achieved by its West German rivals. BMW and Daimler Benz, the Mercedes group.

Mr John Egan, Jaguar's chair-man, also told the annual meetmah, also told the antual man, also told the antual materials the company would match the 3.5 per cent of sales spent by the Germans on research and development.

15 per cent for the foreseeable year."

Jaguar, the luxury cars proup, will this year increase apital expenditure steeply to the partial exchange rates the sales—the schieved by its West German rivals. BMW and Daimler arm the Mercedes group.

Mr John Egan, Jaguar's chair employee to Sir cars & Year by 1990.

Financial

Reco enco

Belliar, the No. 100 household household deciding in the profits of the grant trace of the grant half of the present level of the level of the present level of the lev

Triefus

A CONTINUE IN Second half has second half has with pre-tax profit far 1985, compared at 1985, compared at 1985,000, and 19700 group, which

is the mark time and valuation of di-in engineering

in engineering drilling increases of drilling increases to \$2537 (b). The single limit maintained at not from stated committee.

NOT

CAIS

Notice is h

1990.

By then annual output should be over 60,000 case compared with last year's record 38,500 and the planned 42,000 for 1986. spent by the Germans on research and development.

This means that Jaguar's capital expenditure, which jumped from £38.1m in 1984 to £57.2m last year, will soar to about £90m in 1986.

Also research and development expenditure, last year feeling and assembly. So,000 units and assembly lines could hundle give £02.00 cars a year and the assembly lines could hundle give £02.00 cars a year and the assembly lines could hundle give £02.00 cars a year and the assembly lines could hundle give £02.00 cars a year and the planated £2.000 for 1986.

Jaguar could gridger well over 60,000 cars a year will see the painting and assembly lines could hundle give £02.00 cars a year and the planated £2.000 for 1986.

Also research and development.

Mr Egan teased \$2,000 for 1986.

Jaguar could gridger well over 60,000 cars a year will additional facilities, he added.

Mr Egan teased \$2,000 for 1986.

Jaguar could gridger well over 60,000 cars a year will see the painting and assembly.

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Also research and development.

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Mr Egan teased \$2,000 cars a year will be added.

Mr Egan teased the seed of the year will be added.

Mr Egan teased \$2,000 cars a year will be added.

He warned them that profits The company's progress had would be "sat" in the fear the continued in the first quarter XJ40 was launched. Ilguar of 1986. Production compared would have to build in a stock of 1986. Production compared with the same months of 1985 of at least 2,000 cars for the was up by 10 per cent to 11,652 alone — against virtually no stocks at the moment—and tributors improved by 9 per cent to 10,953 and productivity gains continued to be made.

The company's US\$ hedging for the first time on 180m of programme protected it to the

Allied yet to decide on Hiram Walker financing

Allied-Lyons, the food and examining ways of financing the company.

ciation Press report from Canada—carried in yesterday's Financial Times—that it would be proposing a rights issue at the possibility of doing some the meeting to finance the deal.

Allied said that it was still in Canada.

drinks group, yesterday acquisition, and a rights issue confirmed that it will hold a was one possibility under shareholders' meeting on May consideration. It would not be 27 to approve its proposed able to put the full financing £1.2bn acquisition of the spirits and wines division of Hiram Walker Resources, the Canadian Since the deal was struck. Since the deal was struck. Hiram Walker has been taken However, it denied an Asso-iation Press report from trying to get Allied's acquisition anada—carried in yesterday's overturned by the courts.

COMPANY NEWS IN BRIEF

TR AUSTRALIA INVESTMENT earnings per 25p share im-Trust's net asset value was proved from 4.07p to 5.05p. Trust's net asset value was 113.7p at February 28 1986 compared with 113.30 at August 31 1985 and 123p at February 28 1985 and 12ap at rectuary
28 1985. Stated earnings per
share were up from 1.4p to
1.71p. The interim dividend is
increased from 0.85p to 1p net
—last year's total was 2.15p.
Income in the first six months Income in the first six months were £122,080 (£107,642) for (£14.43m). Tax £4.71m was £941,644 against £843,267. Pre-tax revenue was £761,169 from 1.65p to 1.32p basic, and against £891,790, and there was £41,790, and there was a tax charge of £255.855 for £255.855 (£288,188).

JESSUPS, a motor dealer and vehicle lessing specialist, raised pre-tax profits by 27 per cent from £435,000 to £554,000 in the six months to February 28 1986. Mr Alan Jessup, the chairman, is confident that progress will be maintained. Turnover rose from £23.4m to £30.28m and included the activities of Skelmersdale Motors, acquired last June. The interim dividend is stepped up to 1.5p (1.25p), and £154,053

FIVE OAKS Investments, principally engaged in property development and investment, raised pre-tax profits from £109,381 to £173,755 in the six months to end-1985. After tax of £51,675 (£1,739) net profits

acquisition. FIRST CHARLOTTE Assets Trust earned a net profit of £92,000, against £104,000, in the year to end-March 1986. asset value per 5p share at the year-end was 12.03p (13.32p). Earnings per share were 0.07p (0.1p). The dividend is unchanged at 0.05p.

BRYSON OIL & GAS made

£45.219, in 1985. Earnings per share were 2.20 (0.7p). There is no dividend, but a one-for-ten scrip issue is proposed.

BRITISH INVESTMENT Trust's net asset value totalled 565p (463p) at March 31 1986. Total revenue for the year £14.97m (£14.43m). Tax £4.71m (£4.67m). Earnings were 15.27p to expand the assets base by Black Diamonds Pensions, itself owned equally by the National Coal Board Staff Superannua-tion Scheme and the Mineworkers Pension Scheme.

> FLEMING FAR Eastern Investre at the (13.32p).
> re 0.07p
> it is unit is unS made
> S made
> against fl.63m for the previous year Earnings per share were 1.04p (1.01p). Final dividend is 0.8p (0.83p adjusted) for an unchanged 1p total.

All these securities having been sold, ouncement appears as a matter of record only,



The Nippon Credit Bank (Curação) Finance, N.V.

£50,000,000

91/4 per cent. Guaranteed Notes 1993

unconditionally and irrevocably guaranteed, as to payment of principal and interest, by

The Nippon Credit Bank, Ltd. (Kabushiki Kaisha Nippon Saiken Shinyo Ginko)

Xleinwort, Benson Limited

Nippon Credit International (HK) Ltd. Banque Paribas Capital Markets Limited Baring Brothers & Co., Limited **Daivva Europe Limited**

Lloyds Merchant Bank Limited

Limited

County Bank Limited Genossenschaftliche Zentralbank AG

Morgan Grenfeil & Co. Limited Morgan Stanley International

Swiss Bank Corporation International Salomon Brothers International Westdeutsche Landesbank Girozentrale

Morgan Guaranty Ltd



Turnover up to £1.57 billion. Pre tax profit up by 23% to a record £135.2 million. Pre tax earnings per share up from 39.6 pence to 43.5 pence.

GROUP CHAIRMAN SIR ERIC POUNTAIN SAID

"It is very pleasing to me to be able to report another record year for the Group.

Each one of our six divisions improved its operating profit.

This increase in profit reflects great credit on our divisional managements and indeed upon all employees of the Group."

U.K. and International Construction, Quarrying, Road Surfacing, Building Products, House Building, Property Development, Industrial Activities.

lay 16th from the Secretary, Tarmac PLC, Ettingshall, Olverhampton WV4 6JP.

Tarmac Group

Concit.on: Notes will on 9th Jur Repaymen presentation coupons a of the Pay Interest wi Banker Compa 2nd Way, 191

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embroyed 50°, 300e Our : 10° ; to £91 £325 millio 03: 6 competitive even witho Morts tov. aras th st-ongly Seif-e

during the ine h encouragin refusal to f tions of fut to be unrea On a today, mot from sum of our cor

tainity of o from a rem A ver Sunenger 1 secure in t and the same of th

Recovery at Bellway and encouraging sales trend

Beliway, the Newcastle upon Tyne housebuilder which saw its profits decline in 1984-85 after three years of steady growth, recovered sharply in the first helf of the surrent year the first half of the current year

and says it is encouraged by the present level of turnover.
The directors say the housing market in the south has been buoyant but that in some northern areas trading con-ditions have been difficult.

They, point out, nonetheless, that recent reductions in interest rates, coupled with an abundance of mortgage funds, have served to rekindle interest in the new homes market in general. In all, they look to the future with increasing confidence.

Pre-tax profits were after interest charges of £1.02m (£585,000) and included a £142,000 (nil) share of losses of the Falmouth Shiprepair Group of Companies.

Tax rose from £258,000 to £508,000 and left net profits of £816,000, compared with a previous £422,000.

maintained at 0.05p, to be paid

on 9th June, 1986.

Bankers Trust Company, London

2nd May, 1986

On

3.002.00

from stated earnings per share (£176,000).

Turnover for the first half (to January 31 1986) pushed ahead from a static £19.82m to £26.86m and at the pre-tax level profits recovered from a depressed £680,000 to £1,32m.

Earnings improved by 2.3p to 4.7p per share and the interim dividend is held at 3p net—a final of 4p was paid in 1984.85 from taxable profits of £3.26m Pre-tax profits were after

Triefus maintains progress

A CONTINUED recovery in the second half has left Triefus, with pre-tax profits of £793,000 for 1985, compared with losses of £214,000. Second half profits rationalisation and reorganisation has started and a

were £485,000, against losses of £19,000.

The group, which is involved in the marketing, processing and valuation of diamonds, and the control of the contr

in engineering and contract credit of £618,000 (£221,000). drilling, increased turnover for the year by £537,000 to £22.51m.

The single final dividend is

Tax took £454,000 (£368,000).

NOTICE OF EARLY REDEMPTION

CAISSE NATIONALE DE

CREDIT AGRICOLE

US \$ 250,000,000

Floating Rate Notes Due 1995

Notice is hereby given that pursuant to the

Notes will be redeemed at their face value

Repayment of principal will be made upon

coupons attached, at the offices of any one

of the Paying Agents mentioned thereon.

Interest will cease to accrue on all

outstanding Notes on 9th June, 1986.

presentation of the Notes with all unmatured

Conditions of the above Notes, all such

sion, Bellway (North London) contributed to group profits for the first time and exceeded expectations. Plans are being pursued for further expansion.

The south east division is relocating to larger offices adja-cent to the M25, near Reigate, to accommodate the present operations with room for 'anticipated" growth.

The group acquired a 50 per cent interest in Falmouth in March 1985. Although the shiprepair market continues to be depressed the company's yard has secured an increased work load and the directors antici-pate an improved trading situation in the current six months

Record profits for Breakmate In its last year as an independent company Breakmate, supplier of drink dispensers reported a record year with pretax profits up from £481,000 to £736,000 for 1985 on turnover of £12.04m, against £9.1m. Since the year end Sketchley, dry

Minorities cleaning group, made a successful agreed £8m bid for the Earnings per 10p share came out at 11.73p (8.99p) and a second interim of 2p was paid at 15.32p.

Turnover for the group, a building constructor, civil engineer and mineral extractor, increased

Aberdeen

profits fall

LOWER pre-tax profits of

£4.63m are announced by Aberdeen Construction Group

for 1985, against a previous

£4.86m, after a second half

improvement from £3.15m to

to £4.6m

Construction

£5.85m to £100m. Its civil William Tawse, incurred pretax losses of £58,464 compared with profits of £401,911. An increased final dividend of 5.7p (5.05p) is being pro-posed, lifting the total for the year by 10 per cent to 8p

(7.25p).
There was a tax credit of £615,745 (charge £2.11m).
The directors say they have re-examined their capital expenditure forecasts and have identified a core of advanced capital allowances which will not reverse. Accordingly the deferred tax provision has been reduced and the tax charge for the

year correspondingly restricted by £2.71m. changed at £1,454 (£1,430), to leave profits up at £5.25m against £2.75m for stated earnings per 25p share of 31.71p (16.61p). Earnings before the deferred taxation adjustment are shown down

There was an extraordinary debit of £202,568 this time.

to holders of shares on March 20 1986 making a total for the year of 3p (adjusted 2.05p). NOTICE OF REDEMPTION

Anheuser-Busch International Finance N.V.

114% Guaranteed Bonds Due 1990

On June 2, 1986, Anheuser-Busch Overseas Capital B.V., a Netherlands corporation which assumed the payment of the 114% Guaranteed Bonds Due 1990 (the "Bonds") of Anheuser-Busch International Finance N.V., will redeem all of the outstanding Bonds at a redemption price of their principal amount plus interest accrued to June 2, 1986. On that date, the redemption price and accrued interest will become due and payable on each Bond, and interest thereon will cease to accrue on and after that date. The redemption price and accrued interest for each \$5,000 Bond will be \$5,001.56.

The Bonds together with all coupons appertaining thereto maturing after June 1, 1986 shall be surrendered for payment at:

Manufacturers Hanover Trust Company 7 Princes Street London, EC2P 2LR, England

Manufacturers Hanover Bank/Belgium S.A. Rue de Ligne, 13 B-1000 Brussels, Belgium

Banque Generale du Laxembourg S.A. 14 Rue Aldringen Luxembourg-ville Grand Duchy of Luxen

Manufacturers Hanover Trust Company Bockenheimer Landstrasse 51-53 6000 Frankfurt am Main Federal Republic of Germany Manufacturers Hanover

Trust Company Stockerstrasse 33 8027 Zurich, Switzerland Banque Nationale de Paris 16 Boulevarde des Italiens 75450 Paris, France

The Bonds are being redeemed pursuant to the provisions of the fourth paragraph of the Bonds which permits redemption at any time from and after June I, 1984, at the redemption price specified therein.

ANHEUSER-BUSCH OVERSEAS CAPITAL B.V. Anheuser-Busch Overseas Capital R.V. dated as of June 1, 1980

Dated: May 2, 1986

MMT Computing 30% ahead midway

MMT Computing has enjoyed the directors say. Last year an "excellent first six mouths" and Mr M. J. Tilbrook, chairman, expects the full year will £432,000. see the eighth successive record results.

In the six months to the end of February 1986 the USMquoted computer systems consultancy reported pre-tax profits up by 30 per cent from £203,000 to £264,000 on turnover 23 per cent higher at £874,000 (£712,000). From earnings per 5p share of 7.5p (5.5p), the interim payment has been increased from 1.2p to 1.8p.

year there was a total payment of 4p from pre-tax profits of

During the interim period several major orders were signed and the company is working on a full-sold basis at the moment and the workload continues to cover an attractive spread of blue chip companies, the chairman says.

MMT Computing (Reading). a 45 per cent-owned affiliate, has built on its early progress and after less than 12 months The higher dividend reflects it is fully-sold and has four the profits rise and the commajor clients, which, the chair-panies confidence in the future, man says, is most encouraging.

Ecobric returns to profit

quoted on the USM, yesterday reported a turnround of £469,000 tor a profit of £165,000 for the year ended January 31 1986.

Despite weak scrap prices, the demolition subsidiary L. E. Jones (Demolition) which failed spectacularly to demolish a block of flats in East London last November, enjoyed a successful second half's trading. It incurred a loss of £50,000 on the abortive attempt. The present workload indicates a satisfactory result for the current year.

The foundry offshoot should continue to progress satisfac-torily, say the directors, but Multiplas, the plastic injection moulding subsidiary, remained in loss during the year. This year, however, should produce

profits at an increasing rate. Turnover for 1985/86 rose from £4.85m to £7.23m. The dividend is 0.25p—it was omitted last time-with basic

Ecobric Holdings, the demo- retained profit of £68,000 against lition and scrap metal group a loss of £1.59m.

A loss on the £765.000 sale of the group's head office, completed since the year end, will

be charged against reserves.

The directors say that borrowings remain high, imposing restraints on growth and the ability to take advantage of available opportunities.

Highcroft ahead Attributable profits of the Higheroft Investment Trust improved from £182,814 to £239,445 in 1985 and a final dividend of

1.25p raises the total by 0.2p to 2.15p net per 25p share. Freehold and leasehold pro-

perties were revalued £6.75m and the surplus of £690,546 over book value was transferred to revaluation re-serve at year-end.

BRITISH MOHAIR has acquired Sewing Machine Parts of Bradford for £475,000. Book value of net assets of SMP is £266,908. And net profit after earnings per share of 1.23p (loss deducting all charges except tax 1.75p). The dividend will for the year to end-March 1986 account for £20,000, leaving a amounted to £84,259.

BANK RETURN BANKING increase (-j-) o decrease (--) for week Wednesday April 30, 1986 DEPARTMENT JABILITIES 415.274,479 85,070,226 86,007,561 2.305.209.280 -414,337,144 Government Securities Advance & other Accounts Premisés Equipment & other Secs. Notes Coin - 414,537,144 2,305,209,280

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	[12,240,000,000	T +	140,000,000	

The bank of the results

Ralance sheet 1985 • 156 # Financial Year On March 26th the ordinary General Meeting of Cassa di Risparmi e Depositi di Prato approved the 1985 balance-sheet showing the following results:

Total assets	Lit.	3,946 billion
Total deposits	Lit.	3,126 billion
Net income	Lit.	29 billion
Equity after distribution of income	Lit.	223 billion

Gross dividend applicable to each saving share Lit. 12,000

Reliance on facts

CASSA
DI RISPARMI
E DEPOSITI
DI PRATO

Hend Office: Prato, Via Degli Alberti, 2 - Tel. (9574) 4921 Th: 572382 PRATOE Flacence Main Branch - Via II Prato 56 - Tel. (55) 217921

NOTICE TO LOMBARD DEPOSITORS

Gross, equivalent to a basic rate tax payer **14 Days Notice** 7.66% 10.78% 101/4 % **Cheque Savings Accounts** 7.28% |10.25% alance is £250 to £2,500 8.15% Interest is credited on each published rate Lombard North Central 17 Bruton St. London W1A 3DH.

THE BANK OF NOVA SCOTIA

(A Canadian Chartered Bank)

£100,000,000

Floating Rate Debentures 2000 Issue Price 100.10 per cent.

For the three months 30th April 1986 to 31st July, 1986 the Debentures will bear an interest rate of 10.6% per annum and the coupon amount per £10,000 denomination will be £267.18.

> Agent Bank Samuel Montagu & Co. Limited

Norwich Union Chairman, Michael G Falcon, CBE, DL, reports

Progress and Achievement

The public's heightened interest in the whole insurance market and the confidence of intermediaries in our own business philosophy have contributed greatly to strong growth?

Norwich Union Life

t is pleasing to report that by 1985 our share of the traditional ordinary business and selfemployed market in the UK had grown by almost 50% since 1982.

Our new UK annual premiums increased by 10% to £90 million while single premiums reached £325 million — up by a third on 1984. Our endowment policies demonstrated their

competitiveness against other forms of savings, even without the advantage of tax relief. Mortgage-related business rallied well

towards the end of 1985 and has started 1986 very

Self-employed pensions business doubled during the year.

The high level of new business is all the more encouraging because it was achieved despite our refusal to follow competitors who are using projections of future bonuses on bases which we believe

to be unrealistic and misleading. On a 25-year Norwich Union policy maturing today, more than two-thirds of the payout comes from sum insured and vested bonuses while some of our competitors' policyholders face the uncertainty of over half their expected payouts coming

from a removable terminal bonus. A very small proportion of our policyholders surrender their policies each year, but they can be secure in the knowledge that our surrender values

are among the highest in the market, very much supporting the Insurance Ombudsman's recommendation in his 1985 Report that "all surrender value calculations should be towards the high end of the scale...".

Underlying such strength and confidence is an investment philosophy and strategy which is markedly different from that of our competitors. With large proportions of our funds invested over many years in ordinary shares and property, we are able to earn consistently higher returns than are available to those who have concentrated on fixed interest securities.

During 1985 the Life Society in the UK invested £494 million of which three-quarters went into shares and real estate. The £185 million invested in property in 1985 secured a starting yield of over 7%.

We are committed to increasing market activity in the years ahead, and our efforts, assisted by the latest technology, will be underpinned by our deeplyheld belief in the independent

intermediary through whom we sell our business.

WORLDWIDE	1985	1984	
Total Premiums	£ 855m	£ 739m	1:
New Premiums	£ 480m	£ 389m	
Net Assets	£7970m	£6869m	Į,



Norwich Union Fire

Consolidated Results

Premium income in the UK forged ahead by some 24% in 1985. This reflected our ability to negotiate more satisfactory premium rates together with a high level of business renewed. A pleasing feature of 1985 has been the return of policyholders who left us for a short-term price advantage and now recognise our values of consistency and dependability.

Given a continuation of the realism that appears now to be established, our prospects for sound growth are very good.

Commercial insurances finished the year with a much improved result.

Our UK motor premiums reached over £200 million for the first time although with a lower insurance profit. The increase in frequency of motoring accidents continued through 1985 and the fact that nearly one in three drivers killed has a blood/alcohol content above the legal limit gives cause for concern.

> The effect of home insurance rating changes, both upward and downward, will not be fully apparent until 1986 but in 1985 a loss was made, even after the allocation

> > of investment income. The world-wide pre-tax profit at nearly £30 million is up 43% (excluding the re-organisation costs in 1984).

An increased dividend to the Life Society again resulted in a positive return to our life policyholders, In stark contrast, many of our competitors continue to provide no dividend from their general business results and depend heavily on contributions from life fund surpluses, and profits from past years.

	rtemums	loss	investment income	ursurare 1925	re result 1984	
United Kingdom	£371.5m	£40.6m	£46.7m	£6.1m	£3.8m	
Overseas	64.7	11.6	10.0	(1.6)	(1.3)	
Marine and aviation	28.5	0.3	2.7	2.4	(2.7)	
	464.7	52.5	59.4	6.9	. (0.2)	
Less: rensurance with					• ; • · • /	
associated companies	<u>65.7</u>	8.3	8.3	_	(1.2)	
Net world wide total	399.0	44 2	51.1	6.9	1.0	
Insurance result Expenses not charged to a Other investment income Share of profits of principa		mpanies	_	£6.9m 1.8 23.9 0.7	£1.0m 2.4 20.8 1.3	
Reorganisation costs				29.7 —	20.7 2.0	
Profit before taxation			-	29.7	18.7	
Taxation and minonty inter	rests			9.4	4.6	
Profit after taxation			_	20.3	14.1	
Dradend			_	13.7	130	
Free telenia ratio: 131.4% (1984: 130.9%)						

Copies of the Directors' Report and Group Accounts including the Chairman's full Statement and the Chief General Manager's Review of Operations may be obtained from The Accountant, Norwich Union Insurance Group, P.O. Box 4, Norwich NR1 3NG.

A tough little cookie comes to market

litle known in Britain, the com-pany—and the woman whose name it bears—is a great American success story. In the American success story. In the nine years since ist creation, annual sales have grown from \$225,000 to \$73m (£47.5m), making it the leading US retailer of freshly-baked cookies. Trading profits last year were nearly \$11m.

The Utah-based company has now decided to seek a stock market quotation. Instead of going to Wall Street, however, it is joining the growing sub-sector of American companies on London's Unlisted Securities Market: and at a value likely to be in the region of £200m, it is set to become by far the biggest company on the USM.



Mrs Fields (the woman) is no sweet little old lady employed to provide a twee image for an otherwise faceless enterprise.

Mrs Debra ("Debbi") Fields is the president and chief

In 1977, the year of her marriage to business consultant Mr most common variant, and the Randall ("Randy") Fields, one that sparked their popuDebi was a 20-year-old English larity, is the chocolate chip and history student, but she cookie, reputedly invented by told her husband that what she accident in 1929. really wanted to do was to go into business selling freshly-baked cookies like the ones she

sceptical, but indulged her with a loan of \$25,000 to set up a shop in Palo Alto, California. and bet her she wouldn't take \$50 in her first day. He lost.

growth. Another 100 stores are due to open this year and a push into Britain and other sweet-toothed European nations is planned. The company does not qualify

for a full stock market listing because only 20 per cent of it is to be sold — half in new shares issued by the company and half by Mr and Mrs Fields. But why choose the USM instead of the more obvious American over-the-counter market?

Mr Fields, now the company's 38-year-old chairman and finance director, says it is because he perceives London as the centre of tomorrow's international equity market and wants Mrs Fields to be seen as an international group. an international group.

Nevertheless, the USM offers American OTC market. Entry is quicker, cheaper and easier, and for small companies the lack of quarterly reporting requirements and freedom from component of Mrs Fields' continual visits by abundant growth. Another is the business US financial analysts makes acumen of her shrewd and innolife less onerous.

Blue-blooded backing has been mustered for the flotation, with Schroders as sponsors and Cazenove as brokers.

Cookies are basically sweet executive of her own company and sugar, but are usually laced with other incompany laced with other incompany and sugar, but are usually laced with other incompany. with other ingredients such as coconut, raisins and nuts. Their

The American obsession with the cookie has led to the development of a market worth \$3bn a year. Most of this is in Randy (first name terms are sales of crispy cookies bought de rigeur at Mrs Fields) was pre-packed off supermarket shelves, and an intense and costly war has been waged by leading biscuit companies for dominance of this field.

Mrs Fields' skill, however,

THE CITY is about to be hit by a phenomenon called Mrs

A cookie store operator as yet litle known in Britain, the company—and the woman whose name it bears—is a great American success story. In the ing quickly enough to accom-modate them all.

In any case, Mrs Fields claims that its characteristic the-inside cookie gives it an the-inside cookie gives it an edge over the competition. All the other operators use frozen dough, whereas Mrs Fields' is mixed on the premises, quality control is high, and all secondrate cookies and those left unsold after two hours are boxed and given away to charity.

charity.
"I have never taken a dime for a cookie I didn't consider perfect." says Mrs Debbie Fields. She refuses to franchise like most of the other big operators for fear of losing control over standards.

The price of this gourmet Nevertheless, the USM offers product is correspondingly significant advantages over the high: with the top-of-the-range cookies selling at \$6.25 a pound. a single one costs twice the price of a Mars bar.

> Mr Fields has introduced a computerised management control system which constantly monitors the sales of every product at every store against projected targets. Any shortfalls



are instantly picked up at head-quarters in Park City, Utah, and a team of troubleshooters can be on the scene almost before the unsold cookies have

had time to cool. Since then the business has has been in exploiting people's mushroomed to the point where there are more than 300 stores home-baked product by selling in Australia, Canada, Japan and Hong Kong. In January the field — the Great American what contrived motto "Good the biggest biscuit eaters on the tis another to sanother as another to sanother as another to pin down. To Mrs are the biggest biscuit eaters on the biggest biscu



Mrs Debra Fields, president and chief executive of the leading US retailer of freshly-baked cookies

Enough Never Is "—a striving always to do better. To the outsider the enthusiasm with which employees at all levels throw themselves into living up the ideal appears almost the board of ASTLEY & PEARCE (STERLto the ideal appears almost fanatical: group headquarters and the stores themselves frequently ring to the whooping. clapping and cheers which greet good news and successes. been a success: but how long will it last? Mr and Mrs Fields'

Mrs Fields has undoubtedly personalities so dominate the company that it is hard to imagine it keeping up the momentum without either one of them. Meanwhile competi-

Mr Fields will have none of this. Would McDonald's disintegrate if its management changed? Is competition a serious threat if you are the biggest and best? Are not northern Europeans some of the biggest biscuit eaters on

Pegler-Hattersley chairman designate

PEGLER-HATTERSLEY has appointed Mr Eric Swainson as deputy chairman from June 1 with the intention that he should become chairman in July 1987 upon the retirement of Sir Peter Maxwell bave been directors. Mr Swainson is also managing director of IMI. Mr A. B. Wheeler, divisional managing director of the valve division, has been chairman and chief executive of managing director. Mr David managing director of the valve division, has been chairman in July 1987 upon the retirement of Sir Richard Sterey and Mr Robert Maxwell bave been directors facilities. Mr Alian Carey, formerly board, Mr Alian Carey,

APPOINTMENTS

ment information systems for the Europe Africa Middle East division. He was director of European customer accounting.

BBA GROUP has appointed Mr George Cartwright as manag-ing director of Mintex Don. Mr ght was previously managing director and

At THE ENGLISH TRUST GROUP Mr Michael Todhunter has been appointed managing director from June 2. Mr Christopher Spence, the present managing director, will become deputy chairman of both companies. Mr Todhunter was formerly chief executive of Alexnaders Discount and chairman of Alexanders Laing & Cruickshank. members of the Mercantile House Group.

Mr A. W. Peers has been appointed to the main board of MASDAR (UK).

At the annual meeting of the GAUGE AND TOOLMAKERS ASSOCIATION: the following appointments were made: Mr P. D. Edwards succeeded Mr J J. Harvey as president and Mr P. M. Hall was elected senior vice president. Mr K. Bearton is now junior vice president and the honorary treasurer is Mr M. J. Yates.

of them. Meanwhile competition is intensifying, there is no saying that Europeans will enthuse about the cookie in the same way that Americans do, and in the US itself the cookie could be the victim of changing tastes.

Mr Fields will have none of this. Would McDonald's distance.

Mr Timothy Cheshire, Miss Suzanne Reeves, Miss Katherine Wallace and Mr Philip Matthews have been appointed partners of WEDLAKE BELL from May 1. Mr Michael McKean has been appointed resident partner of Wedlake Bell McKean

with the intention that he should become chairman in July 1987 upon the retirement of Sir Peter Matthews. Mr Swainson is also managing director of IMI. Mr A. B. Wheeler, divisional managing director of the valve division, has been nominated managing director designate to succeed Mr M. H. Grace when he retires on December 31.

HERTZ EUROPE has made Mr Joe Bournat director management information systems for the Europe Africa Middle East

Captain Graham J. Botterill has left the Cunard Group, where he was operations director and general manager of Cunard Shipping Services, to join J. MARR AND SON, where he will be reconsible princip. he will be responsible principally for the running of the scientific fleet.

Changes at **Courtaulds**

COURTAULDS has made the following board changes: Mr. R. D. Laptherue has been appointed an executive director from May 28 and will take over responsibility for finance at main board level from that date. Mr Lapthorne joined Courtaulds in October 1983 as group finan-cial controller reer 18 years with Unilever. Mr N. E. Smith with Unilever. Mr N. H. Smith will retire from the board at the end of July, but will continue as chairman of the Courtaulds Pension Fund investment committee. Sir Graham Wilkins, a non-executive director, will be retiring from the board following the annual meeting in July. Mr Colin Corness, the chairman of Redland, has been appointed a non-executive director.

Mr D. G. H. Nicholson has

Mr Alan J. Oldham, an assistant general manager of the EQUITY & LAW LIFE ASSURANCE SOCIETY, will retire on July 31. Mr Brian D. Emery, pensions manager, has been appointed an assistant general manager from August 1.

Mr R. P. Cotton, distribution director, BIRDS EYE WALL'S, will retire on July 31. Mr P. R. Bushill-Matthews, sales director, has become sales and distribution director.

Mr Ronald Sparrow, chairman Mr John Day has been appointed managing director—bright bar division — of BRASWAY. Mr M. W. Swaby has joined the main board.

**Contain Centers I Retroall

Mr Renald Sparrow, Chairman of ElaGDEN INDUSTRIES, has retired but continues as non-executive chairman for a further year. Mr Tecwyn Wilkinson, group managing director, has been appointed chief executive.

ECONOMIC INSURANCE
CO, a member of the Hafnia
Group of Copenhagen, has
appointed Mr Peter Hartley
general underwriting manager.
He was formerly with the Continental Insurance Company UK.

STANDARD CHARTERED BANK has appointed Mr P. Burfoot general manager with responsibility for the Middle East and South Asia. Mr Burfoot will assume responsibility for this region on August 1, replacing Mr N. H. Green who will be retiring from the bank at the end of July.

JOHN LAING CONSTRUCTION has appointed Mr A. R. (Alan) Chaney director of finance and Mr P. J. (Peter) Spriggs assistant director of finance. Mr Chaney was chief accountant for engineering and overseas activities and Mr Spriggs has been the financial controller since 1981. Mr Caristopher M. Laing also joins the board on May 1. He has been director of sales and promotions since February 1984. since February 1984.

returing from the board ronowing the annual meeting in July.

Mr Colin Corness, the chairman of Redland, has been appointed a non-executive director.

Mr J. G. H. Paynter has joined the partnership of CAZENOVE the joined Valin Pollen in March 1985 and has been responsible for the agency's research and planning unit.

Mr Ronald J. Horn, president been appointed chairman of the berry has become a director.

Berry TRUST and Mr J. A. J.
Berry has become a director.

Mr Alan J. Oldham, an assistant general manager of the EQUITY & LAW LIFE J. Fritze of Sopra UK.

Dr. Me Ahmadradeh has been appointed a director of RUDOLF WOLFF & CO (1985).

WEDLAKE BELL from May 1.

Mr Michael McKean has been appointed resident partner of Wedlake Bell McKean, Guernscy.

** Tollowing the acquisition of SPONMECH, has been chairman of the Comerly directors of Mr J. Bull as divisional works Mr D. R. I Comerly director. He was previously with directors of THE MOORGATE group chairman, also assumes Keen Cutler & Co.

responsibility for the recently formed automation division, as its managing director. Mr. J. C. Webb, company secretary, becomes group finance director.

Financial Times

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GRAFIE ELIZERIA INC. APRIL 29 199

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Bachange of

Mr Peter Simpson has become an associate director of LANCA-SHIRE & YORKSHIRE INVEST-MENT MANAGEMENT.

Mr Michael Marsien has joined UNITY TRUST as an executive director. He was previously with Williams & Glyn's as a senior

MARKS AND SPENCER has appointed Mr Robin Herbert as a non-executive director. He is chairman of Leopuld Joseph

A. F. BULGIN & CO has A. F. BULGIN & CO has made the following management appointments: Mr Barry Ireland, formerly divisional works director, joins the main board as production director: and Mr David Harrington, formerly sales/marketing manager, becomes divisional director, sales and marketing.

Mr John S. Beer has been appointed a director of HOGG ROBINSON & GARDNER HOUN-ROBINSON & GARDNER HOUN-TAIN, the insurance broking subsidiary of Hogg Robinson Group. He is responsible for the group's non-marine rein-surance activities and becomes managing director of Hogg Robinson (Non-marine Rein-surance Brokers).

Mr J. F. Moore has been appointed financial director of SECOMAK AIR PRODUCTS, a member of the Halma Group. Previously with Price Water-house and Gillette Industries, Mr Moore's last position was deputy financial controller of the International Signal and Control Group.

Smith Keen board posts

Following the acquisition of Birmingham based stockbrokers Smith Keen Cutier by Greenwell Montagu. & Co (a member of the Midland Bank Group), the board of SMITH KEEN CUTLER & CO is: Mr N. L. Rowland (executive chairman); Mr N. A. Harrison; Mr J. D. London, Mr C. W. Melly, Mr C. P. Smith, Mr D. C. Wasdell, Mr R. B. S. Wood (executive directors); and Mr R. H. Lawson and E. J. Fenton (non-executive directors). Mr Lawson and Mr Fenton are both directors of Greenwell Montagu & Co. Mr Lawson is also a deputy chairman of the Council of The Stock Exchange, Mr J. C. Driver, Mr S. V. Gizzzard, Mr D. M. Horton, Mr D. R. Pickering and Mr P. Shepheard have become associate directors of Smith Keen Cutier & Co.

This announcement appears as a matter of record only.

lhaioi

Thai Oil Company Limited

Yen Equivalent of US\$230,000,000

Term Loan

Lead Managed by

BOT International (H.K.) Limited

The Fuji Bank, Limited

The Sanwa Bank, Limited

The Mitsubishi Bank, Limited

The Industrial Bank of Japan, Limited

The Long-Term Credit Bank of Japan, Limited

The Mitsubishi Trust and Banking Corporation

The Taiyo Kobe Bank, Limited

Co-Managed by

The Dai-Ichi Kangyo Bank, Limited

The Tokai Bank, Limited

Funds provided by

BOT International (H.K.) Limited

The Mitsubishi Bank, Limited

The Industrial Bank of Japan, Limited

The Toyo Trust and Banking Company, Limited

The Mitsubishi Trust and Banking Corporation The Dai-Ichi Kangyo Bank, Limited

The Bank of Yokohama, Ltd. Mitsui Finance Asia Limited

The Fuji Bank, Limited The Sanwa Bank, Limited

The Long-Term Credit Bank of Japan, Limited

The Taiyo Kobe Bank, Limited

The Tokai Bank, Limited

The Daiwa Bank, Limited

The Sumitomo Bank, Limited The Yasuda Trust and Banking Company, Limited

BOT International (H.K.) Limited

April, 1986

a new currency for commercial paper

Samuel Montagu is committed to playing a major role in the Sterling Commercial Paper market now that measures are in hand for it to open.

The combined strength of Midland Bank, Samuel Montagu and Greenwell Montagu is a major force in the sterling credit, capital and money markets. We have the broad sterling investor base of a U.K. Clearing Bank, the traditional trading and securities distribution strengths of a major Accepting House and the institutional contacts of a pre-eminent U.K. Stockbroker.

Collectively, the Group has the capability to provide a comprehensive service to both Issuers and Investors in Sterling Commercial Paper.

These strengths have been focused on the existing Commercial Paper Unit within Samuel Montagu.

Our services for issuers:

structuring a programme to achieve

an issuer's funding objectives preparation of legal documentation and an information memorandum and assistance with obtaining a

credit rating (if required)
active marketing of an issue to
investors to develop firm placement opportunities appointment of an experienced dealer to maintain regular contact

regarding market conditions and funding strategy service, including the provision of

 provision of a fully integrated guarantees, back up facilities and agency arrangements for issuance, delivery and redemption of paper. and for investors:

• identification of issues to satisfy investors' maturity, yield and/or

 distribution of information memoranda providing data on the business and financial standing of issuers provision of objective market

commentary and advice making two way prices in those issues for which Samuel Montagu acts as a dealer and secondary market trading of other selected

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policy to variation (6)

THE Monopolies and Mergers Commission, when investigating the question whether
a proposed merger between
two companies would operate
in the public in rest, may
disclose to one company confidential information provides by the other if it considers that the disclosure, though potentially harmful to one of the parties, will facilitate the performance of its investigators for the parties.

tory function. Mr Justice Mann so held when mr Justice Mann so held when refusing an application by Elders IXL Ltd for judicial review of a decision by the Monopolies and Mergers Commission to disclose to Allied-Lyons plc information acquired for the purpose of the commission to the commission of the commis sion's investigation into a pro-posed merger between Elders and Allied.

and Allied.
Section 133 of the Fair Trading Act 1973 provides: "(1)...
no information with respect to any particular business which has been obtained under ...
this Act ... shall ... be disclosed ... without the consent of the person for the time being

carrying on that business.

(2) The preceding subsection does not apply to any disclosure of information which is made— (a) for the purpose of facilitating the performance of any functions of the . . . commission . under this Act."

HIS LORDSHIP said that Elders was a South Australian company which carried on business in brewing, agriculture, finance and international trading in 23 countries. Allled, an English company, carried on business in brewing, wines, spirits and food in England and other

countries.

Elders became interested in acquiring Allied. In October 1985, it annouced a £1.8bn cash offer for Allied's shares at 255p per ordinary share. Allied's board was hostile to the offer.

On October 5 the Secretary of State for Trade and Industry referred the proposed acquisi-tion to the Monopolies and Mergers Commission. He considered that the financing of the proposed acquisition raised issues which deserved investiga-

Under the Fair Trading Act it was the duty of the commission to investigate and remained the postible creation of a merger situation qualifying for investigate and reduty was to investigate and report whether the contemplated port was not sufficiently disclosure was not sufficiently disclosure was not sufficiently account. The second pay for Allied.

Which it might be prepared avoided by means of a formulavious for Allied.

It had concluded that its objective could not be so achieved.

The commission was correct in subordinating a perceived detriment to its judgment of how best to perform its statutory functions. There was no suggestion that the subordina-suggestion that the subordina-su

mission had at the outside nine months, beginning with the date of the reference, within which to make a report. A copy was laid before Parliament and

the bid was to proceed.
On November 10 1985, the chairman of the commission wrote to Elders and Allied requesting the provision of exclusive information in the form of a statement.

reveal confidential information

Each company submitted a flawless. statement. Chapter 7 of Elders' statement contained new financ- in the performance of its ing arrangements relating to a inquisitorial function the coming arrangements relating to a revised bid. Elders regarded Chapter ? as confidential and believed that its revelation to Allied would undermine the further bid.

The necessity for confiden-tiality was the subject of a covering note accompanying Elders submission. On January 7 there was a meeting of the chairman of the commission and Elders. The chairman said he wished to disclose Chapter 7 to Allied and that, if he did not Allied might coak to have and Elders. The chairman said he wished to disclose Chapter 7 to Allied and that, if he did not, Allied might seek to have any report set aside in the courts.

There was no set of rules applicable to all investigative any report set aside in the courts.

any report set aside in the courts.

At a further meeting, Elders re-emphasised the prejudice which it would suffer should Chapter? be revealed to Allied. It suggested that Chapter? should be submitted to the Bank of England for its independent advice on the financing arrangements and that questions to Allied should be formulated which would not disclose the arrangements but would enable the commission to have the benefit of Allied's views.

Elders agreed to send two

the benefit of Allied's views.

Elders agreed to send two draft letters and a list of suggested questions to the commission. One letter was to give reasons in full. The other was to give an expurgated version which could be disclosed to Allied. The chairman of the commission sent a copy of that letter to Allied. It replied and Elders was given an opportunity to comment. to comment.

to comment.

On March 7 the chairman of the commission informed Elders and Allied that each had had an adequate opportunity to make representations on the issue of disclosure.

The commission's decision to disclose the information was made in a letter dated March 10. That decision was the subject matter of the present proceedings.

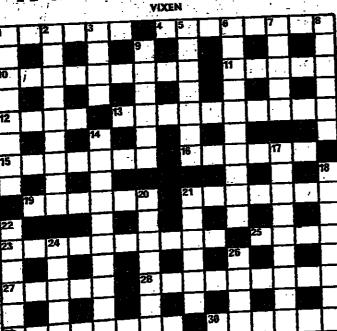
ject matter of the present proceedings.

The affidavit evidence for Eders explained that the arrangements involved unique financing prospects which would be undermined by Allied should it learn of them, and that disclosure of Chapter 7 would indicate the price which it might be prepared to nay for Allied.

arrangements would operate of disclosure was not sumiciently might be expected to operate taken into account. The second against the public interest ground was that disclosure section. The first contravene section to was irrational or was interest in more than in good faith. With regard to the arguments had at the contrader in section 133(2)(a) the first contravene section in section 133(2)(a) the first contravene section in section 133(2)(a) the first contravene section in section 133(2)(b) the first contravene section that the subortion was irrational or was other than in good faith.

exception in section 133(2)(a). founded on section 133, that the did not suggest that the section was confined to confident to retial information, but applied to ceive representations on the any information obtained durceive representations on the issue of disclosure, nor that the the Minister decided whether decision was irrational.

FT CROSSWORD PUZZLE No 6,012



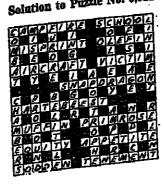
ACROSS

- 1 Keep many in class (6) 4 Enraged about kit getting wet (8) 16 A source of oil not safe to
- 11 Set speed the inexperienced driver must stay with-
- 12 One brought in to work havoc (4) 13 Without locks, so in an anxious state (10) 15 Minister of food-processing?
- 16 Frames a woman involved in 21 some craft (6)
- 19 A toxophilite knowing royal characters (6) 21 Taking the B road with little hesitation—it's wider (7)
- sestumon—its wider (1)
 The South Sea Islander is
 lean, mean, lawless (10)
 tean, mean, lawless (10)
 Grants given in town slumclearance programmes (4)
- clearance programmes (4)
 clearance programmes (4)
 Glare maybe when there's
 only light-bodied beer (5) 28 Possibly rue never turning
- 29 Withdraws soldiers and enters into negotiations (8)

 Recent change of heart (6)
- DOWN
- 1 Make 2 reduction and it's a bargain! (8)
 2 The paper-seller's rate is not subject to variation (9)

Section 1997

- 3 Like the record? (4) 5 Circulates 3 down prepared for mounting (7)
 6 Mark may well obtain permission (10)
 7 Gather a large number take
- dope (5) 8 Improves the tip in a German town (6)
 9 Making a case for sport (6)
 14 A late tender (5-5)
- 17 The income women tend to get organised (9) 18 Coppers will hold about quarter for being there (8) Appreciate consideration (7) This supports a couple, right? (6)
- 23 Walker, the writer (6) 24 Here's a clue that isn't hard!
- 26 Only some in a guest-house make complaint (4) Solution to Puzzle No. 6,011



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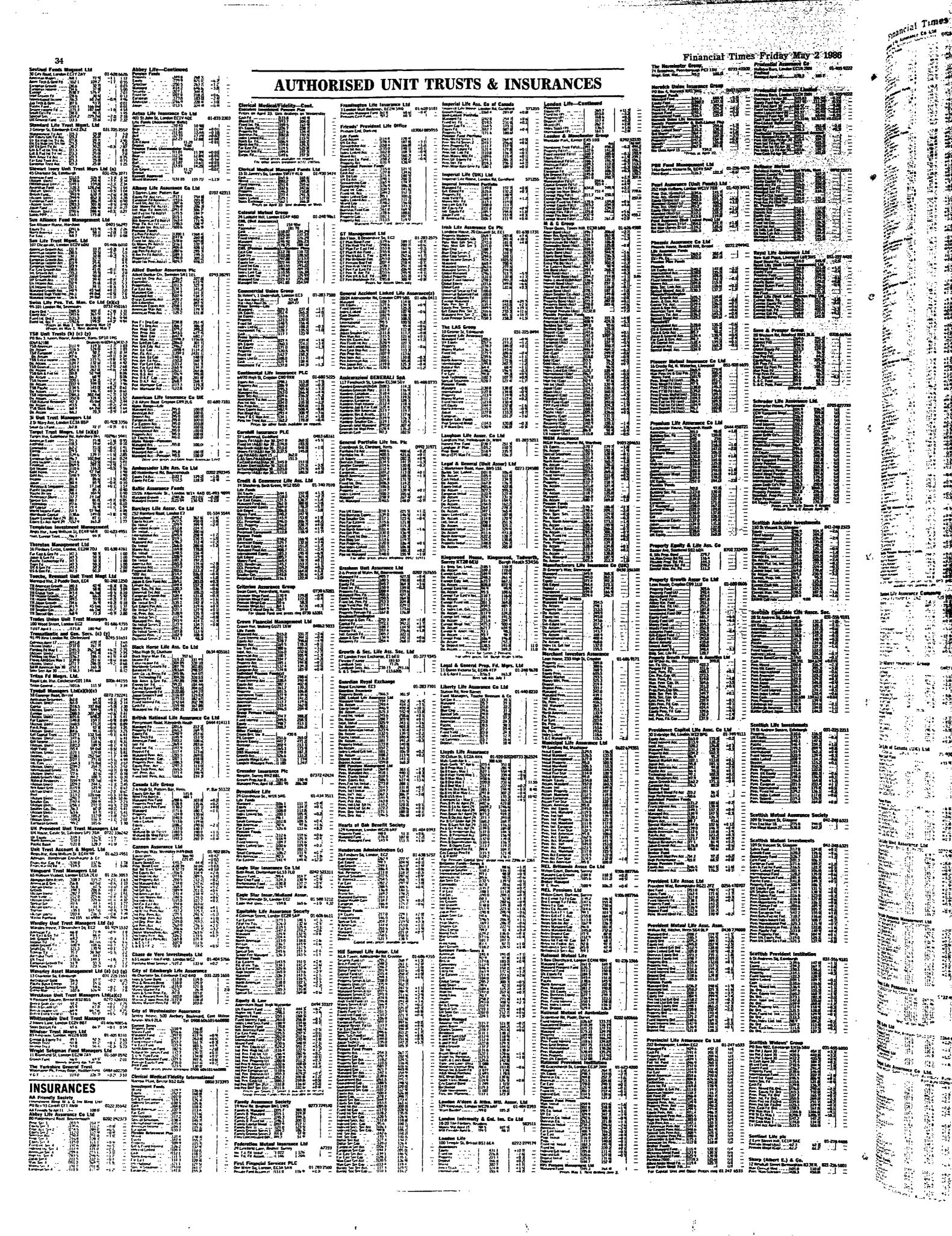
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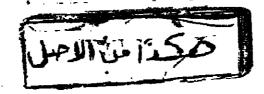
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Mr Littman for the com- mission, whose submissions were adopted by Allied, submitted that its decision was exposed to attack only on the grounds of irrationality. As no such attack	Ages Paris: 17.9 19.1 19.1 19.1 19.1 19.1 19.1 19.1
was made, the decision was flawless. It was not disputed that in the performance of its	U.S. Emergen Gris
inquisitorial function the com- mission must act fairly to the parties concerned. By "parties concerned" was meant at least those who had a "substantial	Transfer Transfer 1974 242 24 116 International Control of the American Control of the Control o
interest in the subject matter of the reference" (see section 81(1)(a). Elders and Allied were plainly such parties. Prima Facie; each was entitled to be treated fairly.	Section Sect
Fairness was a flexible concept the content of which was dependent on context There was no set of rule:	S GR Group 19 125 125 125 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 127 128 128 128 128 128 128 128 128 128 128
process. In particular there was no general rule that one parts to an investigation should be given all of the materia submitted by another party. What was fair in relation t	Expert Trents 1295 1378 -04 5.15 Expert Centry 793 14.7 2.5 South Feb. 127.8 20.04 -0.6 1.70 Workshote Re. 127.8 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1
a particular process and in particular situation subject to that process was for determined ation by the court.	19Wilegam 54, London E. 111 50 Chancety Lace, WC23 INE 21.11 275 Gendend Managers Limited 19Wilegam 54, London E. 111 50 Chancety Lace, WC23 INE 21.11 275 Gendend Managers Limited 10 Wilegam 54, London E. 111 50 London E. 111
the commission focused on fai ness to Allied and sought enable it to to make represe tations on the merger proposal but did not sufficiently tal account of the disproportiona	F. Coulty interior First 74.8 6.0 4.0 7 4.0 5.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1
barm which could be caused Elders by revelation of the financial arrangements. Elde recognised there were composite the composite there were composite the composite there were composite the composite there were composite the composite the composite the composite there were composite the composi	Delle Companies 1949 1177
that the balance struck was not fair. Had the matter rested they the Elders case would powerful, advanced on the base that fairness to one party course.	Company Comp
onot involve the inniction of deproportionate unfairness to to other. But the matter did rest there, because the relevant	10mg St. Manchester M60 3MR 10mg
consideration of a statute in the course of a statute investigation as to what was the was not in the public interest that the commission was of the view that it could not perform the commission was of the course of a statute of the course of	Adjust Augus 10000 101 15-54 115 15-54 15-54 115 15-54 1
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the any information obtained the ing a merger reference. inhibition was absolute su to exceptions. The question whether the exception in section (2) (a) applied.	bject Da. Distriction 1943 - 23 George's Was, Sevenage 1204 1947 - 23 George's Was, Sevenage 1204 1947 - 24
Mr Alexander submitted satisfaction of the exce was a matter for objective termination by the court.	Claim Eastern 19
accepted that the must be allowed what he must be allowed what he a margin of appreciation, the limits of that margin determinable by the course. The submission was accepted. The exception	Dut Fire Siria Augress 74 40.78 -0.3 27 Fa C Augress 76 1730 78.1 -1.2 12.5 12
subsection (2) (2) war at "for facilitating "for the purposes of faing." The former would remark the former would be a seeming	101 101 101 101 101 101 101 101 101 101
whether disclosure did tate. The latter involved inquiry as to what the consistency in the commission's interpretation in the commission's interpretations. It is a supplemental to the period of the commission in the commission in the commission in the commission.	ed an
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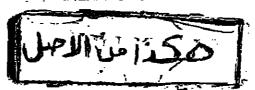
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Financial Times Friday May 2 1986 INSURANCE, OVERSEAS & MONEY FUNDS | Baring Famil Managers (Buernates) | Life | Folia Statement of Statem 507 Warturg Inv Mingrat (Iste of Man) Ltd 1 Thomas Street, Daughs (see of figur, 06-24 7 Nove to the final 1784 E3 7 three line Bond to the 49 9 40-24 | Learner Lear | Particle | Capital Services | Lid | | Singer & Friedlander Ldn. Agents | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | | Section | Compared | Standfriend International Ltd
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May 404.8 Little 405.5 Little 405.0 Little 4

SUGAR WORLD "11"

| Live Cattle 40,000 fb, cents/. | S4.20 | June 58.50 | 57.20 | 56.50 | 56.50 | 57.20 | 56.50 | 56.50 | 57.20 | 56.50 | 57.20 | 56.50 | 57.20 | 56.50 | 57.20 | 56.50 | 56.50 | 57.20 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50 | 56.50

37,500 tb, cents/b

37,500 tb, cents/b

38,750 tb, cents/b

39,750 tb, cents/b

30,750 tb, cents/b

31,500 tb, cents/b

31,500 tb, cents/b

324,25 227,75 223.07

A4,50 234,25 227,75 223.07

A4,50 234,25 227,75 223.07

A4,50 234,75 227,75 233.27

29,70 243,70 243,25

241,46 246,75 240,10 243,28

242,70 243,70 243,20

243,75 244,00 245,25

245,75 246,75 246,70 246,20

246,75 266,75 246,70 246,20

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246,75 266,75 246,70 246,20

246,75 266,7

13.20 13.00 12.82 March 156.0 158.0 156.0 18 13.15 12.95 12.82 May 161.0 163.0 161.0 16 13.16 13.05 12.82 SOYABEAN OIL SO,000th. cents/fb

Close Hight 59.39 59.30 59.57 69.75 57.70 68.05 60.05 60.65 60.05 60.65 1 69.70 60.40 61.50 61.50

Closs High Low 5

May 529.2 542.4 529.0 5

July 534.4 550.0 633.0 8

Aug 532.0 648.4 531.0 E

Sept 524.0 540.0 522.0 5

Nov 524.0 540.0 522.0 5

May 542.0 540.0 522.0 6

March 542.0 557.0 560.0 9

May 545.4 ...655.0 545.0 5

July 549.4 568.0 546.0 5

SOYABEAN MEAL 100 tons, \$/ton

Close Histh 17-92 18.50 18.25 18.85 18.39 18.95 18.42 19.05 18.75 19.20 18.75 19.20 18.82 19.30 19.06 15.65 19.25 19.75

WHEAT 5,000 bu min, cents/60lb-bushel

156.0 158.0 156.0 161.0 161.0 163.0 161.0 165.2

1,00 Prev 62,05 62,25 62,85 52,45 62,70 62,95 62,70 63,25 63,05 63,95 63,95 63,95 64,05 64,05 64,05 64,30

63.90 64.00 64.05 64.80

COTTON 50,000 (b. camb

CRUDE OIL (LIGHT) 42,000 US gallone, \$/barrels

GOLD 100 troy ez, \$/troy ez

OIL

May 341.1 — — 346.2 June 342.8 348.4 340.5 348.1 June 342.8 348.4 340.5 348.1 July 344.4 — 349.4 August 345.8 351.5 361.2 Oct 349.0 253.7 348.5 354.4 Occ 362.3 358.0 350.0 357.7 Feb 356.0 — 361.4 April 393.2 — 364.7 June 362.9 — 368.8 370.2 365.0 372.2 Oct 370.6 — 376.0 Sec 374.6 371.5 371.5 380.0 Feb 378.8 384.2 384.2 384.2 SPOT PRICES—Chicago loose lard 11.00 (10.50) cents per pound. Hardy and Harman silver bullion 512.0 (510.0) cents per troy cents.

Close High Low 341.1 — 342.8 348.4 340.5

COMMODITIES AND AGRICULTURE

grain instead of cotton in order to fill an anticipated food shortfall. The Soviet Union's main cotton-growing regions are in the republics of Uzbekistan and Turkmenistan, some 2,000 miles southeast of the Ukraine, and seem most unlikely to be affected by contamination.

The Soviet Union has been on a grain buying spree in Europe over the past two weeks. According to traders, Moscow has purchased 300,000 tonnes of

has purchased 300,000 tonnes of barley from France, 400,000 tonnes of soft wheat from West Germany and 150,000 tonnes of wheat from Denmark.

The deals follow at least one large reported US grain sale to the Soviets, and underline the USSR's return to the world

wheat pledge

CANADA'S Prime Minister, Mr

Brian Mulrooney, has promised to boost domestic wheat prices

"higher than the artificially depressed" world levels to aid

hard-hit grain farmers, reports

Reuters from Ottawa. He said he also would freeze

the farmers' share of grain freight rates for the 1986-87

crop year. Inaddition, all federal sales

and excise taxes on diesel and gasoline fuels for farm use

would be effectively removed.
"The Government is acting

out of concern for western Canada," Mr Mulrooney added.

Mr Mulrooney promised he would "personally register our concern " about the impact that agricultural subsidy programmes of other countries work beginning or Condens to the countries of the countries are constituted to the countries of the count

were having on Canada at the upcoming summit of the main

industrialised nations in Tokyo

CSO prices of rough stones

US court orders slaughter plan curb

THE latest US effort to cut

excess production of milk was thrown into confusion yesterday, when a Texas district court judge ordered the Department of Agriculture to change its scheme under which dairy farmers would be paid to

slaughter their cows.

In response to a request from the National Cattlemen's Association, representing beef producers, the judge granted an injunction ordering the department to specify marketing procedures limiting the total number of dairy cattle marketed for slaughter to no more than 7 per cent of the national herd. He also said the department

should take "feasible steps" to minimise the adverse effects of dairy cattle sales on beef and poultry producers. It was ordered to come up with the new rules by June.

Beef producers are concerned that a flood of cattle sales un-leashed by the so-called dairy buy-out programme, which aims to make a once-and-for-all reduction in the US dairy surplus, could severely depress meat prices.

The department said yesterday that it was seeking clarification of the court injunction before deciding whether to terminate contracts with farmers who have applied to join the dairy programme. Mr Richard Lyng, the Agriculture Secretary, said he would soon announce moves to ease the impact of the scheme on meat

LME recovery

BUSINESS at the London Metal Exchange is recovering in the wake of the tin crisis, according to official turnover figures. April turnover in copper and aluminium, the two most important metals, was higher than for the same month last year. Business in zinc was also up, though the figures are not strictly comparable because of a change in the contract. In silver, lead and nickel turnover was down. However the exchange has :

long way to go to make up lost ground — the turnover figures for the first four months of the year show declines in every metal except zinc.

The figures are only a limited measure of total turnover on the exchange because they cover trades between ring-dealing members but not between ring-dealers and their clients, which is much more important.

for silver (oz) for April, with last year's in brackets were as follows: Copper higher grade 2,264,850 (2,903,050), Cathodes 3,725 (10,875), Grade A 1,123,600 (nil), STD Copper 5,700 (nil), Lead 620,150 (651,050), Zinc high grade 16,480,000 (53,850,000), small 4,000 (32,000), Aluminium 1,953,975 (1,831,750), Nickel 58,866 (65,838). for silver (oz) for April, with

ing, prices have tumbled from £568 a tonne to £307 a tonne

over the same period.

This week on the London
Metal Exchange, cash lead
prices have been trading below

£240 a tonne, a 10-year low.

The impact of low prices has been aggravated in the US by

tough environmental legislation which has raised operating costs

which has raised operating costs beyond endurance for some companies. In the past three years, about 20 secondary plants have closed across the US, leaving 28. More might close after July 1 this year when a new Environmental Protection Agency rule comes into effect which will force smelters to take

which will force smelters to take out costly extra insurance. Bergsoe Metals has announced

1982. Some new smelters have been built in developing coun-

US traders reassess Soviet nuclear threat

AMERICAN COMMODITY markets dropped sharply yesterday as traders reassessed the likely damage to Soviet crops and livestock from the nuclear accident in the Ukraine.

grain imports as a result of contamination of crops in the even if some analysts sought to attribute it to concern that Soviet farmers might plant is many miles to the north of the week was less explicable, even if some analysts sought to attribute it to concern that Soviet farmers might plant is many miles to the north of fall. The Soviet Union's main

in the Ukraine.

In frantic morning trading, wheat, maize, soyabean, cotton, catle and sugar prices shed a significant proportion of the gains they made earlier in the week, when the Chicago agricultural markets saw their biggest beautiful property than in property there was the control of boom in nearly three years.
Traders said the fundamental
conditions of over-supply were
beginning to reassert themselves, particularly in grain. Significant additional quanti-ties of cereals are starting to

flow on to the market from this week as the government starts making payments-in-kind to farmers under its support programme, Most analysts now believe the markets initially over-reacted to

the Soviet disaster, which caused speculation that the Russians would need to boost to the results in the solution of the steep rise on the New far the largest importer of grain.

By ANDREW GOWERS

until the end of June in order

to allow cereal farmers to decide

whether to give it financial

The organisation, launched

by Mr Peter Walker when Agricultural Minister in 1983, with a view to promoting sales

with a view to promoting sales of British processed foods and farm produce, had originally set the end of April as a dead-line for putting together a minimum budget of £4.8m for the next financial year. If that could not be achieved, Food from Britain said at the time, its marketing activities would

marketing activities would have to be scrapped.

The Government, which pro-vided the start-up cash, has

BY KENNETH MARSTON, MINING EDITOR

which saw a further 3 per cent

rise in sales to a new record

1976 78 190 182 184 196

grew steadily throughout the 1960s and 1970s on the back of the relentless expansion of demand for vehicles. Every vehicle needed a lead battery

will shut down by July.

In Europe environmental controls are less stringent. Nevertheless five out of about 50 plants have closed down since last. Some new smelters have

secondary producers' share of the lead market would continue

The long-term producers of the lead market would continue

700

600

500

400

300

Lead

The Chernobyl nuclear plant is many miles to the north of this area, and is surrounded by relatively unproductive winter wheat and sugar-beet farms—although it is in an important dairying region. But there were dairying region. But there were fears that winds would blow the fallout released by the explosion to the south, and that radioactivity might leak into the Dniepr river, which is used to irrigate the big grain

Those dangers have not passed. Accu-weather, a private US weather forecasting service, said yesterday that winds were carrying the radioactive cloud to the south over the main wheat and sugar-beet areas, but it cautioned that it was still too early to tell what damage the

refusing to put up funds.

The big question now is whether cereal producers will

agree to provide funds them-selves. Mr Simon Gourlay, new

president of the National Farmers' Union, is lobbying hard for a "yes" vote in a referendum of grain farmers

over the next few weeks.

In a letter to Food from

Britain's governing council, which met yesterday to consider

the organisation's fate, he argued that a final decision

should be deferred until after the results of this poll are

known, at the end of June.
The council agreed that the

cereals vote was crucial for its future. It also said that at the

been putting intense pressure on the food and farming industries to contribute a share of the funds.

But Food from Britain is still well short of the total, with a number of organisations — future. It also said that at the end of June it would be considering how it should be reorganised to give supporters confidence in it, and what promotional projects it should carry out to fulfil the industry's wishes.

future. It also said that at the industrialised nations in Tokyo. He said he would urge world leaders to resolve current trade disputes, rather than expand trade-distorting subsidies.

Canadian farmers are caught in a war between Europe and the US, Mr Mulrooney said.

recession, the world market for rough (uncut) gem diamonds has been the policy has regained its aplomb. It is

has regained its aplomb. It is set to catch up with the retail demand for polished goods which recovered earlier and clamonds has been the policy rise of 13 per cent in CSO sales of roughs to \$1.82bn, the best of catch up with the retail of De Beers' Central Selling of roughs to \$1.82bn, the best sales which recovered earlier and control of the cont

mine output on behalf of the

rising levels of zinc and silver production, in Canada, Mexico. Australia and elsewhere, will result in "involuntary" lead production result in the production of the producti

duction regardless of the state

But new mixed-ore mines could well take their place — among them the large Red Dog zinclead mine which the Canadian Cominco group is developing in Alaska. The ILZSG says that future trends in zinc and silver prices will be a decisive factor.

prices will be a decisive factor in new developments.

Some lead mines may close particularly in the lead-only Missouri lead belt in the US.

group and other producers—in stockpiling the less saleable, more expensive diamonds.

The stock of the stock

Supplies of rough diamonds \$1.9bn stockpile "a bit more the cutting and polishing this year, although the broaden

trade have been reduced and ing demand has yet to reach

restricted to the more saleable qualities. This has flushed out of the increased offerings of

the big stocks of partly pro-cessed diamonds held in the cutting centres, and shortages the big stocks of partly pro-cessed diamonds held in the cutting centres, and shortages shook confidence in Antwerp

have appeared in some of the and other western cutting more popular types of gems.

all lead demand.

This bodes ill for secondary producers this producers. They had a rather larger share of the market in 1984 and 1985 than they might

ected to recover.

The long-term picture looks processing the lead into a o better. Since 1960 lead prices finished product such as roofing

analyst with Shearson Lehman

Brothers, says that with the relentless expansion of the automobile population, the replacement battery market

will increasingly underpin over-

The ILZSG concludes that

the 11.25G concludes that consumption is likely to stay static or grow by 1 per cent a year at best to the end of the decade, when it will still be below the 1979 peak. With refinery capacity well above consumption there is likely to be constituted.

continuing downward pressure on prices, it says.

economies of scale favour large integrated groups like Cookson.

Mr Halliwell says that the com-pany's Newcastle-upon-Tyne smelter is, in itself, unprofit-

Diamond trade 'confident'

AFTER about five years of A big factor in the streng-

the chairman of South Africa's to the cutting and polishing be Beers Consolidated Mines, trade have been reduced and

That sinking feeling in lead market

Respite for UK food body

FOOD from Britain, the ranging from the Milk Market-Government food marketing ing Board through the Dairy body which is in a worsening Trade Federation to the Meat financial position, yesterday gave itself a stay of execution bickering among themselves and

LONDON **MARKETS** TRADERS on the London

Metal Exchange reported strong buying by producers behind an increase in nickel Three-month metal touched a high of £2,710 a tonne before falling back to close at £2.707.5, up £45 on the day. Copper and alu-minium both closed a little higher on the day in generally quiet trading. Zinc was also up, following this week's round of producer price increases amid strong buying from the trade. The market was reassured by April turnover figures which appeared to show that the worst effects of the tin crisis worst effects of the fin crisis may be over. Meanwhile sugar prices were sharply down, giving up the gains made earlier in the week amid fears that the Soviet nuclear power station accident might damage the Russian crop. Coffee and cocoa were firm in generally onici trading.

quiet trading. ALUMINIUM

market after months in which its purchases had been minimal. The Soviet Union remains by		closes	cial + or o.m.) - er tonne	High/low
far the largest importer of grain.	Cash 5 months	763-5 754-5	+ 2,5 + 5.0	1760-760 ; 1767-747
Mulrooney	(758-8.5); settloment	three ma 760.5	onths 748-8 (758.5).	sh 760-0.5 8.5 (748-9); Final Kerb 350 Lonnes.

COPPER			Wheat	
Higher grade	Unoffic'	+of High/low	No. 2 H OTHER	
Cash 5 months	938-9 944,5-5	+ 21,0 957/950 + 18,5 946/934	Cocoa l Goffee Cotton	
	Grade	"A"	Gas Oil Rubber	
(924-4.5): 1	hree is	m): Cash 936-7 conths 942.5-3.5	Sugar (Woolto	
(935.5-6) set Kerb close: 9	tlement : 45.5-6.	937 (924.5). Final	‡ Und	

928-30 + 17.0 927/927 937-9 + 17.0 —

Official closing (am): Cash 927-8 (919-21): three months 936-8 (928-30): settlement 928 (921). Turnover: 26,475 tonnes. US Producar prices 65.60-72 00 cents per pound.

	Unofficial close (p.m.) £ per to	_	High/low
Cash months	243-5.5 247.75-8	+4,76 +3,08	244/241.5 249/245
(237.5-8);	closing (er three mod dement 242	ths 247	1-7.5 (244-

lase: 246-7. Turnover: US Spot: 18.75-20.00 cen

KUALA LUMPUR TIN MARKET: Close 14.59 (14.59) ringgit per kg. Kuala Lumpur not open today.

NICKEL

İ	close(p.m £ per t	.) — Оппе	High: low
Cash 3 months	2660-5 2706-10	+52.5 +46.0	2665/2860 27 18/2860
(2.615-25); (2,670-80);	three settleme	months nt 2,63	sh 2,630-5 2,585-90 5 (2,625). Turnover:

High grade	Unofficial close(p.m.) £ per to	_	High/low
Cash 3 months			455/453 467/455
(444-5); (closing (an three months	s 463-4	(454-5);

swittement 455.5 (445). Final Kerb clase: 466.5-7. Turnover: 13.675 tonnes. US Prime Western: 33.00-33.75 cents per pound.

GOLD

Gold fall \$4, an ounce from Thursday's close in the London bullion market yesterday to finish at \$345-345'z. The metal opened at \$145*-345'z and traded between a high of \$348-346'z and a low of \$344*-345. Trading was extremely dull and featuraless ahead of the economic summy this weekend in

GOLD BULLION (fine cunce) May 1 Close ... \$345.345 la (\$225)4-82534

their appeal for the scrap metal	executive of Cookson Group, formerly known as Lead Indus-	lead from mines and primary	on uses of lead have been intro- duced most rapidly.	the sconamic summit this weekend in Tokyo. GOLD BULLION (fine ounce) May 1
their way to collect batteries because lead prices are so	"There's excess capacity in	changed at about 2.5m tonnes, in spite of the fall in prices. This was because a high proper.	In piping, cable-sheathing, paints and petrol additives, lead has lost markets. As a result, the battery industry has in-	Close
weak. It is a sign of the squeeze	capacity in Europe."	tion of the metal—about two- thirds of western world produc-	creased its share of total lead	GOLD AND PLATINUM COINS
that the scrap or secondary lead market faces in industrialised countries. Many secondary smelting and refining plants	Secondary producers are more important in lead than almost any other metal—accounting for more than 40 per cent of production. Their share	tion—is produced from ores containing other metals, principally zinc and silver. The big exception is the US, where lead is mainly mined on its own and mine output has fallen markedly. The ILZSG comments that rising levels of zinc and silver	to 56 per cent. Rising vehicle production has more than offset the effects of improvements in battery manufacture which have cut the amount of lead in each battery and prolonged battery life.	Kr'g'r'nd. #346½ 347 (£226): 2263½ 12 Krup. #3180½ 1813¼ (£118 11852) 14 Krup. \$52933 (£118 11852) 110 Krup. \$5274 - 38

SILVER

Silver was fired 1.75p an ounce higher for spot delivery in the London buthon market yesterday at 332.25p. US cent equivalents of the fixing levels were: spot 511c, up 0.25c; three-month 518.95c, up 0.1c; silventh 543.75c, up 0.06c. The metal opened at 3337-335p (513-515c) and closed at 335-336*p (513-515c).

SILVER Buillon + or LMLE + or por Fixing - p.m. - Unoffic'i

LME—Turnover: 29 (1) lots of 10,000 oz. Cash high 334.5p, low 330p; three months high 343p, low 341p, linel Kerb

MEAT

Pigmest prices eased slightly caused by a slightly weaker physical market, reports Eastern Capital-CCST.

been built in developing countries, but in the west secondary refining capacity has fallen in the past three years by 650,000 the lead market would continue to grow to perhaps 50 per cent, as the increase in vehicle sales in the past three years by 650,000 the International Lead and Zinc Study Group.

The group says in a report:
"It is now apparent that in many of the fully-industrialised countries the secondary lead sector is undergoing a structural change, rather than passing the lead into a no better. Since 1960 lead prices are not per cent in US dollars. Only copper among base metals has declined more sharply. Zinc prices, by contrast, have actually risen by about 10 per cent.

But the recession of 1980-81 brought a fall in lead consumption tries the secondary lead sector is undergoing a structural change, rather than passing the lead into a no better. Since 1960 lead prices in shed product such as roofing materials.

However, poor lead prices are base metals has declined more sharply. Zinc prices, by contrast, have actually risen by about 10 per cent.

Underlying this decline in real terms by more than 30 per cent in US dollars. Only copper among base metals has declined more sharply. Zinc prices, by contrast, have actually risen by about 10 per cent.

Underlying this decline in real terms by materials.

However, poor lead prices are dollars. Only copper among base metals has declined more sharply. Zinc prices, by contrast, have actually risen by about 10 per cent.

Underlying this decline in real terms by materials.

However, poor lead and zcid are base of the lead into a problem for only for the lead industry. Unwanted in rivers and by the roadside. The pollution they could cause is potentially quite serious. Mr Halliwell says: "This is a problem for on trast, have actually risen by about 10 per cent.

Secondary product such as roofing more than 30 per cent in US dollars. Only copper among base metals has declined more sharply. Zinc prices, by contrast, have actually risen by about 10 per cent.

Where a Pigmeat sales: 28 (61) lots of 50 carcases, 3.250 kg. Bed sales: 11 (3) lots of 20 sides. MEAT COMMISSION — Average fat-atock onces at representative markets. GB—Cartla 99.18p per kg iw (+0.01). GB—Sheep 277.42p per kg est dcw (+ 7.30). GB—Pigs 79.88p per kg iw (+0.10).

US MARKETS

PRECIOUS METALS lost ground on fears that Soviet gold sales are hanging ever the market, reporty Heinold Commodities. Copper traded up to resistance levels in thin volume, but the market gave back some of its gains towards the close. Cocoa traded down to its lows early in the session under pressure from a stronger dollar against sterling, but recovered ground on scale-down manufacturer buying. Coffee lost ground initially on carry-over selling from Wednesday, but the trend reversed once industry

and trade support emerged and the market closed slightly up. Sugar dropped to limit-down as trade and commission houses liquidated their long

houses liquidated their long positions to take profits following the gains of the previous two days but prices recovered some ground later. The energy complex remained steady, with talks of a shutdown of Soviet nuclear plants and diversion of oil from export to free humains.

and diversion of oil from export to fuel-burning. Heavy farmer selling overnight and widespread profit-taking by commission houses and locals weighed on soyabean futures, coupled with ideas that the unclear miskap in the Soviet Union was not so bad as had been thought.

ALUMINIUM 40,000 lb, cents/lb

COCOA 10 tonnes, \$/tonnes

NEW YORK

MAIN PRICE CHANGES

May 1 April 30 M'th ago Year ago

1795.1 1786.4 1812.6 1895.5

Dow : April | April Month | Year Jones 30 | 29 | ago | ago

Spot 128.92 128.45 - 117.27 Fut. 126,44 125,30 - 121.79

INDICES

REUTERS

DOW JONES

In tonnes un	1058 OU16	17145	
	May 1 1986	+ <u>or</u>	Month ago
METALS			
Aluminium Free Market	\$ 1589/620	_5	51285.306
Cash h Grade 3 mths	c938.5	+21	£971.5
Gold Troy oz	8545,85	-0.72	2333,20
3 mths	£247.68	j + 3.86	 F\$90'10
Free Mkt	186/203c \$110.65	+ 0.96	179, 198 ₀ 8106.00
Platinum oz Quicksilver f	\$421,50	+5.70	8280:265
3 months	332.25p 340,25p	+ 1.75 + 1.75	353,25p 362,65p
free mkt Tungsten	£3658/700 £62 07		£8600/8 90 \$65,61
Wolfram 22.8ib.	845/55		\$48:56 £445.5
5 months	£462.75	+8	£456,25 \$650,670

Coconut (Phili) \$280x 1+25 5305 Palm Malayan \$250z6282

Barley Fut.Sept. £98.70 -0.25£98.15 Melze £144.00 -2.2148.50 Wheat Fut July. £116.78 -0.25£119.50 No. 2 Hard Wint \$ \$\frac{1}{2}\$ † Unquoted. † Per 75 ib flask. c Centa a pound. v May. y April-May. w June. x May-June. z July. * Cotton Outlook.

COCOA

With much of the trade obsent for May Day, futures attracted only light interest and remained in a narrow renge, reports Gill and Duffus.

 OA	Yesterday's Close	+ or	Business
UA	£ per tonne	_	Done
Prost-1-	1302-1305		
	1310-1311 1333-1335	+ 10.0	1816-1800 1886-1822
	1364-1366 1392-1594		
	1411-1414	+ 18.5	1415-1596
	1421-1427	+9.5	–
	22 (2,796) to leator prices		

Daily price for May 1: 87.83 flive-day average for May 2:

London opened as due, about 220 lower but in thin conditions values recovered slowly on mixed commission house and trade buying. Weaker starling and light physical offtake pushed levels slowly higher in the alternoon, reports Drexel Bumbam

COFFEE	Yesterday Glose	+ or	Business Done
	[
May	2202-2205	+24.0	2295-2169
luty	2265-2269	+ 19.5	2278 2221
5ept	2327 2351	+21.5	2428-2286
Nov	2375-2390	+29.0	2679-2625
18D	2405-2415	+ 10,0	2499-20/0
Mar	2430-2435	+ 25,0	2425-26 3 U
May	2445·2455;	+ 20,0	_
Splee: 3	214 (5 798)	lots of	f 5 topopes

autes: 3,218 (3,789) lots of 5 tonnes. ICO indicator prices (US cents per pound) for April 30: Comp. daily 1979 192 08 (195.60); 15-day average 191.95 (191.67). SOYABEAN MEAL

Sales: 487 (184) lots of 20 tonnes.

GRAINS

Business done: Wheat: May 117.50-7.45. July 117.00-6.50, Sept 100.00-99,70, Nov 102.80-2.30, Jan 105.80-5.40, March 108.55-8.25. Sales: 277 lots of 100 tonnes. Barley: May 113.25-2.00, Sept 99.05-8.65. Nov 102.25-1.80, Jan 105.00, March 108.25-7.70. Seles: 105 lots of 100 tonnes.

105.00. March 108.25-7.70. Sales: 105 lots of 100 tonnes.

WHEAT | BARLEY | SARLEY | Sales: 105 lots of 100 tonnes.

WHEAT | BARLEY | SARLEY | Sales: 105 lots of 100 tonnes.

WHEAT | BARLEY | SARLEY | Sales: 105 lots of 100 lots of 10

Mar.: 108.25 '-0.46' 107.70 '-0.50

HGCA — Locational ex-furm spot prices. Feed barley: S. East 113.90, S. West 113.30, W. Mids 110.70, S. West 112.70. The UK Monetary Coofficient for the week beginning Monday May 5 (based on HGCA calculations using five days' exchange rates) is expected to be unchanged. Old crop wheat eased 50p before rallying on merchant profit-taking. May barloy firmed on lenge shipper support and closed on the highs. New crops found merchant selling throughout the day which absorbed all comission house buying interest, reports T. G. Roddick.

house buying interest, reports T. G. Roddick.
LONDON GRAINS—Wheat: EEC frethalf May 137.75. English feed tob Sept 101.50. Oct/Dec 106.75. Jan/Mer 111.75, Apr/June 116.75. sellors. Malze; US No. 3 Yellow. French transalpment. East Cosst. first-helf May 144.00. Berkey: English feed tob spot 118.50-117.50. May 116.50-118.50, buyer-aelier. Oct/Dec 106.00. Jan/Mer 111.00, buyer.

LONDON DAILY PRICE—Row sugar \$217.50 (£141.50), up \$5.50 (up £4.00) a tonna for May-June delivery. White sugar \$230.00, up \$2.00
The market eased back although support was apparent around \$200, bases October, reports C, Czarnikow,

S per tonne F.O.B.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for April 30: Daily price 8.63 (8.24): 15-day sverage 8.12 (8.14). No. 8 cirl contract 210.0-7.0. —9.5; Oct 208.0-17.0, —11.7. Sales: 66 lots of 50 tonnes. **POTATOES**

May opened steadier but assed beck to close lirtle changed. New crops opened generally lower, and tell in much quieter conditions then of late, reports Coley and Harper.
Sales: 414 (1,087) lots of 40 tonnes Earlier—July 107.50. —0.30: Aug 82.50. —0.50: Sept 81.00, unchanged. Sales: 0 lots of 10 tonnes.

£ per tonne May | 170.00 | 159.80 175.50-189.00 Nov | 92.70 | 93.50 | 94.50-81.80 Feb | 102.00 | 105.50 | Apr | 124.20 | 128.00 | 125.00 | 121.20 May | 134.50 | 137.30 | 155.06

Latest + or -Dry Cargo

GAS OIL FUTURES

CRUDE OiL-FOB (8 per barrel)-May

Close - Done S US per tonne 153.50 +2.25 153.56 42.50 136.76 +3.25.126 75 51.00 136.50 +3.00 136 52 56.00 138.00 +3.00 138.00 24.09 128.00 +0.75 122.00 24.75 126.00 -1.00 127.86 28.00 127.50 -0.25

Ethanol plan

Latest | Previous Business close | close | done

FREIGHT FUTURES Close High/Low Prev.

July 661.638 658.652 Oct. 737.738 742.726 Jan. 739.746 745.742.6 April 795.821.5 795 July 880.710 — Oct. 775.915 — Jan. 760 — Jan. 760 BF1. 658.0

Close High Low | Prev. May . 850-860 . 855-850 . 845-876 June : 845-880 | 855-860 : 845-890 Sept. . 980-1020 — 980-1000 BTI 922.5 — 921.5 ver: 38 (38).

RUBBER

P H Y S I C A L S — Closing prices (buyers): spot 54.50p (same): June 52.50p (same): June 52.50p (same); June 52.50p (same); The Kuels Lumpur fob price (Malsyand cents per kg): RSS No. 1 was — (195.0) and SMR 20 — (177.0). FUTURES—Index 532, June 522.528, July-Sept 521.524, Oct-Dec 520.523, Jan-March 531-533, April-June 544-543, July-Sept 548-552. Seles: 68.

Coffee rust

THE US Department of Agriculture is actively considering whether to provide ethanol producers with government maize stocks as a subsidy to help them weather stiffer competition from low oil prices.

The Western Highlands province of Papua New Guinea has been placed under quarantine after the discovery of coffee rust on a plantation in the Baiyer River area, government officials said in Port Moresby.

حركة المنالاص

2019 CAMPA

2019 C MLLAR SPOT-FO The sign terms are 4 4 to 10 t EXCHANGE CROSS 1 1510 1.275 1 0.654 1 3,275 CM 22F7 5,4*4 1 FEN 2554 1854 1859 ##. 2952 1421 7 179 ##. C.755 154 1 195 IR. 0.262 04.1 0 4977 DB 0.455 0462 1469 01 0.075 1140 1.000 58: 1.007 2.007 4.000

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UK rate interest rates were thinged in London yesters by quiet and feetureless by Proximity of the long and the day ad and the economic sum layou were sufficient to anumpation to a min freemonth interback instead at 10:104 per cea-wide the overnight rate his per cent. Naving open ligher cent. Naving open ligher cent. Saving open ligher cent can't touch as of 12 per cent. In Bank of England for the Bank of England for sundage of around 1900n winding returning the ra-sionage of around 1900n winding returning 2005 and

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HONEY RATES

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5.35.5

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up in narrow trading

The dollar held on to over-night gains to finish on a stronger note in curreny markets prennigs up against the D-Mark, following short covering in very following short covering in very thin Far Eastern trading. How-ever it remained in a very nar-row band during the day with most centres in Europe and else-where closed for May Day

celebrations.

There was also considerable reluctance to take out fresh positions ahead of this weekend's economic summit in Tokyo. The dollar's firmer trend was not seen as a permanent facture and there was little last-ing impact to comments made ahead of the meeting suggesting that the dollar had achieved its floor level Japan may well hope for this but there has been little indication from US authorities that they wish to restrict any further downward movement in the dollar

Section 1

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Section 2

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the dollar. Wednesday's disappointing US Wednesday's disappointing US trade figures tended to underline this. The US administration may well get its own way in pushing the yen still higher in order to reverse what has become an increasingly long line of mediocre to poor US economic statistics. Further evidence was seen yesterday with the release of US construction apending for March. This showed a 12 per cent

1.5265-1.5390 2.1018-2.1187 3.782-3.812 68.55-69.09 12.83-12.55

1.5265-1.5350 1.5250-1.5300 2.1018-2.1187 2.1045-2.1075 3.791-3.81 3.79-3.80 88.55-69.09 12.43-12.55 1.1055-1.1717 1.1055-1.1055 3.351-3.32 2347-3.377, 217.50-228.24 221.79-223.08 213.84-215.72 23.34-21.4.21 23031-2234 22031-221.02 10.571-10.791 10.791-10.901 10.52-10.53 2521-2604 2337 23.67-23.75 23.67-2337 23.67-23.75 2501-2633 2361-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827 2401-2.827

POUND SPOT-FORWARD AGAINST POUND

0.50-0.51c pm 0.40-0.29c pm 13-13-c pm 15-10c pm 42-33-ore pm 0.05-0.15p dis 17-73-pf pm

2-4 line dis

274-23-c pin

10.75 10.50° 10.52 10.55 1.44-1.30° pm 6.24 3.77-3.60° m 23.96-23.57 23.67-23.75 23.75 23.75 23.75 23.75 23.75 23.75 23.75 23.75 23.75 23.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Latest Pray, bloss May 1 £ Spot \$1,5320.1,556 \$1,535-1,5570 1 month | 0.52 0.50pm | 0.51-0.50pm 5 months | 1.38-1.32pm | 1.35-1,35pm 12 months | 1.75-3.50pm | 3.72-3.55pm

decline compared with expectations of a 0.8 per cent rise.

The dollar closed at DM 2.2030 up from DM 2.1640 and Y169.80 tompared with Y167.55. Against the Swiss franc it rose to SFr 1.8435 from SFr 6.8925. On Bank of England figures, the dollar's exchange rate index rose from 113.3 to 114.5.

STERLING — Trading range against the dailar in 1986 is 1.5555 to 1.3770. April average 1.4574. Exchange rate index 76.3, up from a low of 76.0 but down from 76.5, at the opening and Wednesday's close. The six mooths ago figure was 89.4.

Sterling followed the dollar's movements for much of the day but still finished slightly weaker overall. Trading was very quite with no new features to influence decline compared with expecta-

increasingly long line of mediotre to poor US economic statistics. Further evidence was seen yesterday with the release of US construction apending for March.

This showed a 1.2 per cent overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Trading was very quite overall. Signify weaker overall. Trading was very quite overall. Signify weaker overall. Trading was very quite overall. Signify weaker overall. Trading was very quite overall. Signify was very quite overall. Signify was very quite overall. Trading was very quite overall. Signify was very quite overall. Trading was very quite overall with no new features to influence the market. Against the dollar properties over the market was very quite overall with no new features to influence the market was very quite over the market was very quite over the market was very quite over the market was very quite over the market was very quite over the market was very quite over the market was very quite over the m

p.a. morrors
4.12 1.40-1.35pm
1.87 0.83-0.67pm
5.34 44-4*pm
2.27 42-33pm
4.10 11%-10*pm
-1.06 par-0.20dis
6.48 4%-8*pm

-1.56 9-13die

ever, at DM 3.37 from DM 3.3575 and SFr 2.82 from SFr 2.81. It rose against the French franc to FFr 10.7350 from FFr 10.69 but eased in terms of the yen to Y2591 from Y2591.

to Y259 from Y2591.

JAPANESE YEN — Trading range against the dollar in 1986 is 202.70 to 167.15. April average 175.05. Exchange rate index 201.1 against 172.2 six months ago.

The yen was a little weaker against the dollar in Tokyo in thin pre-summit trading. There was much speculation as to what the outcome of the talks would be. Comments from the president of the West German Bundesbank strossing that he did not wish to see the dollar fall any further against the D-mark added to the dollar's attraction. However underlying sentiment remained bearish.

The dollar closed at Y169.40

mained bearish.

The dollar closed at Y169.40 compared with Y168.75 in New York and Y168.10 in Tokyo on Wednesday. The yen's depreciation was probably only temporary according to most dealers with this weekend's summit likely to call for a further yen appreciation. A desire to push the yen firmer highlight's concern in the US with Japan's increasing trade surplus and a continuing rise in the US trade deficit. Elsewhere the D-mark eased to Y76.88 from Y77.11.

CURRENCY MOVEMENTS Bank of Morgan England Guaranty Index Change 76,3 114.8 78.8 126.5 95.5 66.0 1357.5 185.0 69.4 46,4 201,1 -1.91 2.66 5.69

6.13 **CURRENCY RATES**

-1.20 1.40-1.80dis -0.91 -4.67 61-74dis -3.89 2.24 9.33-9.88pm 2.14 1.94 8-6pm 1.91 2.71 1.22-1.18pm 2.62 crivard premiums and findividual currency. CS/SDR rate for April 30: 1.51577.

May 1 spread Close One month p.s. tworiths product of the property of the product EXCHANGE CROSS RATES

May 1 2 8 DM YER FP. SFr. MFL Um CS SFr. E 0.654 1. 2.803 163.8 7.018 1.84 2.830 2.786 28310. 2.106 68.85 0.654 1. 2.803 163.8 7.018 1.844 2.432 1511. 1.577 44.90 0.292 0.484 1. 77.00 3.185 0.827 1.186 686.5 0.625 20.57 YEN 3.854 6.854 12.99 1000. 31.87 10.87 14.62 8902 8.116 264.5 FFr. 0.952 1.498 5.159 341.7 10. 8.637 3.835 2152 1.982 65.95 6Fr. 0.585 0.548 1.195 92.05 5.807 1. 1.346 819.1 0.747 24.54 0.854 0.405 0.888 58.38 2.839 0.748 1. 608.7 0.556 18.08 0.435 0.659 1.459 113.5 4.647 1.221 1.643 1000, 0.912 29.72 C 8 D.476 0.726 1.600 125.9 6.097 1.339 1.902 1097, 1. 52.60 BFr. 1.467 2.258 4.909 275.0 15.64 6.108 5.626 3565, 3.068 100. Yen per 1,000; Franch Pt-per 10; Lire per 1,000; Beilg Pr per 100.

EURO-CURRENCY INTEREST RATES

				Three	30%	- Oile
May 1	Short	7 Days	Month	Mont h 3	Months	Year
May 1 Starling U.S. Dollsr Can Dollar D Guilder Sw. Franc Pensschmrk Fr. Franc Italias Lire B.Fr.(Con)	11-1118 7-714 8-812 612-634 134-2514 9-11 614-834 8-12-9-78	11 11 11 11 11 11 11 11 11 11 11 11 11	10/2-10/2 6/6-6/2 6/6-6/2 6/6-6/2 6/6-6/2 7/4-7/2 116-12/2 8/4-8/4 8/4-8/4 8/4-8/4 8/4-8/4 8/4-8/4 8/4-8/4 8/4-8/4	Month 1 108,1012 834,515 854,515 912,556 413,414 412,738 1312,1256 814,812 414,714 714,714 514,617	976-10 93-678 856-878 94-619 94-619 4-416 912-756 1179-1239 750-778 408-478 74-738 631-679	912 958 512 513 513 514 513 514 513 514 714 712 714 713 514 414 714 713 514 714 714 714
D. Krone Asian S (Bhg)	اللائدة الما	64.74	618-7	cent; three		per cent
			74-74 Peri	Conc. c		indere and

Arg*tina 1. 2843-1.2868(0.8400-0.8410 Aux*aile ... 8. 0790-2.0836(1.8585-1.3600 Brazil ... 81.05-21.18 15.77-13.84 Finland ... 7.6393-7.6575-4.9350-4.9360 Grebce ... 200,57-214,20136-40-139.16 Finland ... 11,360-11,97551-7.7800-7.7910 131.10° 78.45*
Linx burg ... 11,360-11,97551-7.7800-7.7910 131.10° 78.45*
Linx burg ... 12,465-10,2676-0.8765-0.8785
Linx burg ... 12,467-12,468-70,2686-70

STERLING INDEX 9.00 am 76.5 76.6 10.00 am 76.4 76.5 1.00 pm 76.4 78.6 76.6 2.00 pm 76.4 76.6 3.00 pm 76.0 4.00 pm 76.3

High 93.26 93.25 93.12 92.89 92.63

CERT. DEPOSIT (IMM) Sim points of 100%

EMS EUROPEAN CURRENCY UNIT RATES ±1.5388 ±1.6408 ±1.1202 ±1.3701 ±1.5081 ±1.6669 ±4.0788 +0.52 +0.70 +0.59 -1.63 +0.60 -0.81 -1.35 43.8860 7.97037 2.15005 6.85390 2.42292 0.706923 1475-98 43.6761 7.91896 2.13834 8.96280 2.40836 0.712956 1486.21 Changes are for Ecu, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

MONEY MARKETS

UK rates show little change

Interest rates were barely changed in London yesterday in 257m of Treasury bills, £2m of 257m of Treasury bills and 2272m local authority bills and 2272m local authority bills and 2272m of eligible bank bills all at 104 per cent. In band 3 it bought 257m of Treasury bills and 257m of eligible bank bills and 257m of Treasury bills and 25m of Treasury bills and 25m of the per cent. end and the economic summit in Tokyo were sufficient to keep participation to a minimum. Three-month The Bank revised its forecast Three-month interbank money finished at 101-101- per cent compared with 10-10-101- per cent while the overnight rate eased to 5 per cent, having opened at 101-101- per cent and touching a high of 12 per cent. The Bank of England forecast The Bank of England forecast and speciage of around £550m with a chartese of around £550m with a chartese of around £550m with a comparison on fright purchases of £17m of eligible bank bills in band 1 at 101 per cent and £250m in band 2 at The Bank of England forecast a shortage of around £900m with a shortage of around £900m with factors affecting the market factors affecting assistance and including manuring assistance and take up of Treasury bills a take up of Treasury bills together draining £760m and the together dr

MONEY RATES 5.05.5 4.504.554.404.554.404.554.404.55 718 77.714 77.776 73.714 77.776 87.8715 71.5776 4.15 87.8715 71.5776 4.15 87.8715 4.15 87.877 8.53.125 125.1378 Frankfurt ..

10 to per cent. In band 3 it bought £4m of Treasury bills at 10t per cent and £13m of eligible bank bills in band 4 at 10th per cent. In the afternoon the authorities gave further help of £40m through purchases of eligible bank bills in band 2 at 10 £774m. FT LONDON INTERBANK FIXING Six months US dollers (11,00 a m. May)

Three months US dollars The fixing rates are the arithmetic means, rounded to the nessest one-stratement, of the bid and offered rates Deutsche Bank, Banque Nationale de Stratement, of the bid and offered rates Deutsche Bank, Banque Nationale de Feris and Morgan Guaranty Trust, LONDON MONEY RATES

Month Months Months Year 0 101c 11-111s 1114-111c 111s-111s Diagount Net Gepta-Company Depos Finance House Depos Treasury Bills (Buy)-Bank Bills (Buy)-Fine Trade Bills (Buy) Dollar CDs. SDR Linked Depos.

Treasury Bills (sell): one-month 10°₂ per cent; three-months 9°₂ per cent. Benk Bills (sell): one-month 10°₂ per cent; three-months 9°₂ per cent. Benk Bills (sell): one-month 10°₂ per cent; three-months 9°₂ 10 per cent. Frascury Bills: Average tender rate at discount 8.8470 per cent. ECGD Fixed Treasury Bills: Average tender rate at discount 9.8470 per cent. ECGD Fixed Finance Houses saven days' notice others seven cent. Local authority and Finance Houses saven days' force 92.5 per cent from May 1 1986, Bank days' fixed. Finance Houses Base Rate 11½ per cent from May 1 1986, Bank days' fixed. Finance Houses Base Rate 11½ per cent from May 1 1986, Bank Deposits (Senies 6): Deposit C100,000 and over held under one month 10½ per cent: one-three months 10½ per cent; three-six months 10 per cent; six-niral per cent; one-three months 10½ per cent; three-six months 10 per cent; six-niral per cent; one-three months 10½ per cent. Under £100,000 9½ per cent months 9½ per cent; nine-12 months 9½ per cent. Deposits withdrawn for each 5 per cent.

FINANCIAL FUTURES **US** bonds weak

weaker in yesterday's London of indigestion. Exchange yesterday. Values bond price opened at 100-06, were depressed to some extent down from 100-27, and finished International Financial Futures by news of \$9bn 30-year note only one tick above the day's

US Treasury bond prices were afraid of suffering a severe bout For June delivery the Treasury

auction next week. With the dollar and US interest rates falling, overseas funding of the US budget deficit has become less attractive and the market was

0.8 per cent improvement falled to have much impact. Proximity of a long weekend in the UK and the economic summit in Tokyo combined to keep partici-pation to a minimum.

Long gitt prices were generally weaker in line with US bonds, opening at 127-07 for June delivery and touching a high of 127-14 before closing at 128-28, down from 127-19 on Wednesday. down from 127-19 on Wednesday.

Three-month sterling deposits were also lower in quiet trading. Cash rates were a little higher where changed and this prompted the June price to finish at 90.28 down from an opening of 90.38 and 90.42 on Wednesday.

LIFFE US TREASURY BOND FUTURES OPTIONS LIFFE LONG GILT PUTURES OPTIONS | Calis—Last | Calis—Last | Calis—Last | Calis—Last | Calis—Last | Calis—Last | Calis—Last | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc | Calis—Sept Doc Calbs—Last June Sept Dec 10.52 11.45 — 8.53 10.02 — 8.55 8.31 — 4.62 7.04 — 3.19 5.51 — 0.64 3.45 — 0.22 2.55 — 0.22 2.55 — Mar LONDON SZ E/S OPTIONS

12,500 (eents per E1)

Strike Calle-Last
pnce May June July Sept
1.30 — 23 80 — 23.90 — 0.15 —
1.35 18.90 18.80 — 18.90 — 0.5 0.20 —
1.40 13.90 13.80 14.30 13.90 0.15 0.25 0.40
1.50 3.50 5.20 5.80 6.50 1.00 2.20 4.00
1.55 1.20 2.40 3.20 4.10 2.80 4.40 5.50
Previous day's open int, Calls 5,068, Puts 3,441

Velume 189 E L/S OPTIONS
000 (cents per E1)

te Calls—Last
23.12 June July Sept
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18.12 18.12 18.12 18.12 0.00 0.00
13.12 13.12 13.12 13.12 0.00 0.17 (
8.12 8.12 8.47 9.30 0.10 0.72 1
3.69 4.51 5.16 8.35 0.82 2.11 1
1.07 2.08 2.81 3.62 2.17 3.20 4.62 1
0.17 0.78 1.36 2.51 7.30 8.38 5

nated volume total, Calls 367, Purs 445 ious day's open int, Calls 5,814, Puts 5,854 LIFFE-EURODOLLAR OPTIONS Sim points of 100% Pots—Last
May June July Sept
— — — 0.05 0.20 0.65
— 0.20 0.55 1.40
0.90 2.10 3.10 4.55
2.96 4.85 5.70 7.40
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775. Puts 40.932 Calies—Lest
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7.80 7.80 8.40 8.90 0.05 0.70 1.4
3.40 4.33 4.70 5.80 0.90 2.10 3.1
0.90 2.10 2.50 3.60 2.95 4.85 5.7
0.90 2.10 1.40 0.10 1.40 6.10 47.775, Puts 40.932
ious day's volume, Calle 1,342, Puts 1,402 0.00 0.00 0.02 0.11 0.37 0.81

THREE-MONTH EURODOLLAR Sim points of 100% LONDON CHICAGO 10% NOTIONAL SHORT GILT £100,000 64ths of 100% US TREASURY BONDS (CBT) 8% \$100,000 32nds of 100% Une 103-14 103-18 103-14 103-27 Sept 103-34 103-14 103-45 Est. Volume 138 (48) Previous day's open int. 1,234 (1,240) 26-YEAR 12% NOTIONAL GILT 250,000 32nds of 103% 250,000 32nds of 103".

Close High Low Prev
126-26 127-14 126-24 127-19
2 Sept 127-01 127-18 127-12 127-27
Dec 127-00 — 127-26
March 126-28 — 127-22
Est. Volume 5,256 (5,900)
Previous day's open int. 13,205 (13,835)
Basis quote (clean cash price of 13".
Treasury 2004/08 less equivalent price of near tutures contract) —4 to 4 (32nds). Close High Low 99-23 190-28 99-22 88-30 — — Close High 100-27
June 99-23 100-27
Sept 88-30 — 100-02
Dec 88-37 — 99-11
Est. Volume 5,572 (6,062)
Previous day's open int. 7,279 (7,375) US TREASURY BILLS (HAM) 51m points of 100% Low 94.05 84.22 94.13 93.95 93.73 93.51 93.33 **CURRENCY FUTURES** THREE-MONTH STERLING POUND-\$ (FOREIGN EXCHANGE) 93.55 ---

June 90.28 90.38 50.25 90.42 Sept 91.08 91.15 91.07 51.18 Dec 91.30 91.35 91.26 91.37 March 91.27 91.31 91.23 91.35 June 91.15 — 91.21 Est. Volume 1,960 (2,248) Previous day's open int. 18,952 (19,165) FT-SE 100 INDEX £25 per full index point

THREE-MONTH EURODOLLAR (IMM) \$1m points of 100%

Spot 1-mth. 3-mth. 6-mth. 12-mth. 1.5295 1.5243 1.5158 1.5067 1.4920 IMM-STERLING Se per E
 Latest
 High
 Low
 Prev

 1.5235
 1.5300
 1.5170
 1.5350

 1.5125
 1.5195
 1.5060
 1.5235

 1.5020
 1.5080
 1.4975
 1.5135
 LIFFE-STERLING £25,000 \$ per £ High Low Pray 1.5313 1.5190 1.5458 — 1.5353 — 1.5268

Company Notices

INTERCOM nunale Belge de Gaz et d'Electricite Société Anonyme

NOTICE OF ANNUAL GENERAL MEETING Notice is hereby given that the annual general meeting of the shareholders will be held on Friday 16th May 1986 at 11 am at the registered office of the Company, place du Trône 1, Brussels, Belgium.

(1) To receive the reports of the Board of Directors, the "Collège des Commissaires" and the Company's Auditor.
(2) To approve the balance sheet, the results account, and the appropriation of results for the financial year ended December 31 1985.

(3) To grant discharge to the Directors, the "Commissaires" and the Company's Auditor (in accordance with article 79 of the Belgian Companies Act).

(5) To elect an Auditor and fix his emoluments.

Note:
Holders of shares entitled and wishing to attend or be represented at the meeting should, at least six days before the day fixed for the meeting, deposit a certificate of their holding by an authorised depositary at one of the following banks:
—MIDLAND BANK plc, International Private Banking,
Westwood House, 13 Stanhope Gate, Mayfair, London WIY
—BANQUE BELGE LIMITED
4 Bishopsgate, London EC2

-BANQUE BELGE LIMITED
4 Bishopsgate, London EC2
-BANQUE PARIBAS
33 Throgmorton Street, London EC2
-BARING BROTHERS AND CO LIMITED
88 Leadenhall Street, London EC2
-HILL SAMUEL AND CO LIMITED
100 Wood Street, London EC2
Thereupon an admission card will be issued to them.
A member of the Company entitled to attend and vote may appoint a proxy or proxies to attend, and on a poil to vote, in his stead.
Such proxy must be a member.

Such proxy must be a member.

Copies of the accounts and the reports in French (and summaries in English) for 1985 may be obtained from the above-mentioned banking establishments.

SOCIETE GENERALE \$ US 50.000.000 FLOATING RATE

For the three months, April 21, 1986 to July 20, 1986, the rate of interest has been fixed at 6 3/4 % P.A.

NOTES DUE 1991

The interest due on July 21, 1986 against coupon nr 28 will be \$ US 17,06 and has been computed on the actual number of days clapsed (91) divided by 360.

THE PRINCIPAL **PAYING AGENT** SOCIETE GENERALE ALSACIENNE DE BANQUE 15, Avenue Emile Reuter LUXEMBOURG

Clubs

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and too maskians, glamorous hostesses, exciting faorshows, 189, Regent St., W1. 01-734 0857.

THE SCOTTISH
AGRICULTURAL SECURITIES
CORPORATION p.J.c.

71% Debenture Stock, 1990/92 71% Debenture Stock, 1990/92
Notice is hereby given that the
REGISTERS of the CORPORATION'S above mentioned Debenture Stock will be CLOSED for
TRANSFER and REGISTRATION
from 19th to 30th May, 1986,
both days inclusive.
By Order of the Board,
H. J. McTurk, Secretary,
48, Palmerston Place,
Edinburgh, EH12 5BR.
2nd May, 1986.

Legal Notices

IN THE MATTER OF MOUNTROSE TRADING COMPANY LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

MOTICE IS HEREBY GIVEN that the creditors of the above-named company, which is being voluntarily wound up, are required, on or before the 6th day of June, 1986, to send in their tuil Christian and summers, their addresses and descriptions, full perticulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned KEITH DAVID GOODMAN, FCA, of 30 Eastbourne Terrace. London, W2 6LF the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 22nd dey of April 1986.

K. D. GOODMAN, Liquidator This Notice is pure'y formal. All known craditors have been or will be paid in full.

CURRENCY

WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 30, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified

Eurodollar Libor as of April 30 at 11.00 a.m. é months: é≟ 3 months: 6

Bank of America, Economics Dept., E.M.E.A. London

VALUE OF

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencles, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

SDR1=\$US1.16769 ECU=\$U5.982716 =\$U5.982710 Sibor as of April 30 at 11.00 a.m. 3 months: 67 6 months: 67

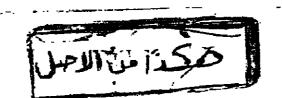
		VALUE OF		CURRENCY	DOLLAR	COUNTRY	
eelustov	CURRENCY	DOLLAR	COUNTRY		I		340.00
COUNTRY	GORNERO!	<u></u> -1		E Carlbbaan f	2,70	Paraguay	737.50
ghanistan	Afghani (n)	50.60	Grenada	E. OMINDAGAI F	I <u>6.</u> 968 I	GURFANI (C	13.95
		6.5415	Guadaloupe	116 \$	1.00	Peru Intl. (o) Philippines Peso	20.48
-45.3	. Dinar	4.80 I	GUAITI	(Oustzal (o)	1.00	Philippines	1.7173
ge	Fr. Franc	: 6.968 139.15	Guatemala	(Quatzal (h, i)	2.95 170,479	Poland Zloty (c) (3)	1 266.51
dorra	Sp. Peseta	29.918	Colone Picenti	Peso	340.00	Portugal Escudo	146.50
		29.910	Cuison Pen	Franc	300.00	Puerto Rico, U.S. dollar	1.00
		0.841			4,158	Gatar	3.641 6.968
		1,60	GUYERIA	Dollar	6.00	Qatar Riyal Reunion, II de la Fr. Franc	0.958
		1,353	Guyana Halti Honduras Rep	. Gourde	2.00	Romania Leu	4.56 12.74
ustralia	. Dollar	15.373	Honduras Rep	. Lempira Lempira (d)	2.55	(Leu ic)	87.9603
ustria zores	. Port. Escudo	146,50	Hong Kong	Lempna (47 Dollar	7,795	Rwanda Franc	ne i 2.70
zores	Dollar	1.00	Hong Kong	. Forint	44.64	St. Christopher E. Caribbes St. Helena Pound	1.544
ahrain	Dinar	0.3769	Hinder A		40,60	St. Helenamer Foundation St. Pierre E. Caribbes St. Vingent E. Caribbes	n S i 2,70
sleade Is	Sp. Peseta	139.15	iceland	. Krona	12,29	St. Ducks Fr. Franc	6,968
deed	TAYA	: 30.30 2.0113	India	. Kupes	1124.00	St. Carlobes	n 8 2.70
		44,63	indiaindia	. Kubian	79.0452		
	- Francisco	44.845		Dinar	0.8109	Samoa (Am.) U.S. 8 San Marino It. Lira	1,00
Reigium	- IFFANG (1) (er)	2.00	ILEG	Florade .	1.591	San Marino It. Lira	1501.00
Selize	Dollar	348.40	israel	New Shekel	1.477	i Sao Tome &	38,7619
Senin	Dellar	1.00	Italy	Lira	1501.00	Principe DR Dobra	
Sermuda	- Vontenm	12.29	tuning County	C.F.A. Franc	348.40	Court Arabia Rival	3.6565
Sermuda Shutan	Peso (a)	1905000.	14013 00000			Senegal C.F.A. Fran	9 348,40 6,1966
سيسسب عاباله	- Pego (f)	1906000.	l		1 5,46	Saudi Arabia	6,1956 6,00
otswana	Pula	1,6949	Jamaica	_ Doller (0)	168 55	Sierra Leone Leone	6.00 2,197
		05	Japan	_ Yen	0,3321	Singapore Dollar	1,6129
ســــــــــــــــــــــــــــــــــــ	Cruzado (o) (3)	13.86	1 Jordan	··· Diliai		Solomon is Dollar	36.00
Brunel	Dollar	2.197 0.951	Kampuohea	roei	15,9382		3.20
Brazii Brunci Bujgaria Burkina Faso Burma	Lev	348,40 -	Kampuches	exilitiy Aust Dollar	1.354	COURTED CONTRACT!	0.0550
Burkina Faso	C.F.A. Franc	1 7,2866	Kiribati	- Wou	0.94	Spain	139,16
Burma	Kyat	105.079	KOTER (NIII)	- Won	888.10	Spen Ports in N. I. a	139.15
Burundi	E F A Franc	34B 40	Kuwait	Dinar	0.2869 35,00	Africa Sp. Peseta	109.10
Cameroun Kp	Dollar	1,3778	Lac Pipis D. Rep	Kip	26.65	Sr: Lanks Rupes	27,875
Canada	T PALIE	1 470 16	I ANSTON	Pouna	20.05	Dound (0)	2.45
Canada Canary is	Sp. Peseta Escudo Dollar C.F.A. Franc C.F.A. Franc Peso (0) Renminbi Yuan Peso (0)	89,2698	1 467t DO	MEIUU	1 00	Sudan Rep. Pound (k (B) 2.93
Cape Verde Is	Dollar	0.835			0.3059	(Pound (f) (4.00 1.785
Cayman Is	C.F.A. Franc	348.40 348.40			0.3059 1.838	Strinam Guilder	1.785
Charl	C.F.A. Franc	348.40			44,65	Strinam Guilder Swaziand Lliangeni	2,0568 7,048
Chile	Peso :01	188.10			8,1029	Sweden	1.838
China	Renminbl Yuan	3.1919	Macao	PRINCH	685.93		3,925
Colombia	Peso (0)	186,24 348,40	Madagascar D.R	Les TIBRO	146 5D	Syria	ومد.د
00.0	CE & Franc	348.40	Madagascar D.R. Madeira Malawi Malaysia	FUIL FECERO	1,7655	1	38.54
		548.90	Malawi	Awasist	1 2.576	Talwan Dollar	19.75
Costa Rica	Colon	0.8559	Maleysia Maidive is	Rufiya a	7.00	Tanzania Shilling	26.25
Costa Rica Cuba	Peso	2.00	National Section	C.F.A. F7270	548.40	Tanzania	anc 348,40
		: 6.10			2.6974	TOGO REP 25.36.71	1,353
Czechoslovakia	Koruna (O)	8.098	Martinique	Franc	6,968	I TANGO IS	
		177,00	Martinique	Guguiya	77,00	Trinidad & Tobago Dollar	., 3.60
Djibouti Rp. of.	Franc	2,70	1	KUDBE	13,20	Diagram ()	0.725
Dominica	**** F. Chillipson. 1	2.80	Wenting	(Peso (d)	ì 515.50	Tunisia Dinar	664 75
Domin. Rep	Peso	2,80	Mexico	Peso (e)	502,60	Turkey Ura(5) Turks & Calcos U.S. 3	1,00
		•			6,968	Turks & Calcos O.S. 5	
	Sucre (d)	163.50			6,968		
Ecuador	Sucre (f)	109.25	Mongolia	Tugrik (c)	3,3555	UgandaShilling	1458.30
	(0.83	Manipoliani	E. Caribbean \$	2,70	OBESIGE INC.	3.673
F	Pound (c)	1.36	MOLITAGE 1 OF		1	United Arab Emir. Dirham	
FBAME In-summer		5.00	Morocco	Dirham	8,95		
El Calumdar	Colon	5.00			40.77	L (14:40:14V	0.7045
El Salvador	Colon (a)	348.40	Nemibia	S. A. Rand	2,0568		94,2034
Eq'업 Guinea	C.F.A. Franc	2,0725	Maiiiibea			I Vanuatu	1501,00
		8.098		Antak Dellan	1,355	Vatican Lira	
		1,544	Nauru Is	BUAL DOUBL	20.50	(Bolivar (7.50
Calkland is	Poung'	1 0923	Necel	······ Kubee	2,465	Venezuela Bolivar i	(1) i 4,30
1 Sill	ນອາຂາ	4.96	A a+bar 366€	UUMUGI 1917	1.80	Politar le	i 19,52
		6.968	L Noth Antiles	Gulider	1.7173		
Cratas	Frang (Br)	348,40			70,00	Vietnam Dong	12,2036
		6.968	Nicaragua	Cordoba(2)	975.00	Virgin Is. British U.S. 5	: 1.00
Fr. Guiana	Franc	126,691	GICSI BROW	··· (Cordonaid)	348.40	Vietnam	; 1.00
Fr. Pac. 16	C.F.P. Franc	348.40	Miner Ro	C.F.A.Franc	1,0198	Vamon Blai	8.515
I Gabon	U.F.A. FIANC	6.95	Nigeria	-ann Naita	6,948	Yemen PDR Rial	0.343
		2.189	Norway	Krone		Yemen Puk Villar	· 346.92
Germany (E)	Ostmark (0)	5.109			0,385	Yugoslavia Dinar	
		2,189 90.00	Oman Sultanat	C U) Alex	16.268	Zaire Republic Zaire	, 56,23
Ghana	Cedi	1.544	Pakistan	Rupes		E	
Ghana Gibraltar	Pound*	1 1.044	Panama	Balboa	0,0211	Zimbabwe Dollar	• 1,6393
Greece	È rachma	137.10	Panama Papua N.G	, Kiha	. 0'821	· × I	

n.a. Not available. (m) Market rate * US dollars per Netional Currency unit. (a) Freemarket central bank. (b) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Convolted. (er) EMS Realignment, April 1986: Adjusted—DM +3 per cent, DG +3 per cent, Fr -3 per cent, (i) Financial rate. (g) Profesential rates. (h) Non-essential imports, (i) Financial rate. (j) Public Transaction of Fr. +1 per cent. DKr +1 per cent. (l) Financial rate. (g) Profesential rates. (h) Non-essential imports, (i) Financial control of Service (j) Public Transaction (a) Brazil, March 1 per cent. (l) Yenezuela: For debts incurred prior to February 1983. (2) Niceregue, March 1 1986: Devaluation. (3) Brazil, March 1 rate. (k) Agricultural products. (l) Venezuela: For debts incurred prior to February 1986: Pound readjusted. (5) Turkey, March 15 1986: Lira effectively devalued 1986: New currency introduced—1 Cruzado =1,000 Cruzeltos. (4) Sudan, March 11 1986: Pound readjusted. (5) Turkey, March 1986: Dinar now pegged to the SDR. (7) Argentina, April 24 1986; Austral devalued by approx 1.19 per cent. (8) Sudan, April 14 1986: Third exchange rate introduced. For lurther information please contact your local branch of the Bank of America.

	38 BRITISH FUNDS 1786 Price + or Yield Strick E - yet, Real.	AMERICANS—Cont. 1986 Price + or Biv Ynd High Law Stock I - Cross I'C'w Gr's	LONDON SHARE SERVICE	ENGINEERING Continued IN	S Friday May 2 1986 DUSTRIALS Continued
	#\$Rerts" (Lives up to Five Years) 1004 994 Trees 12ac 1985 1004 11.98 10.40 993 1994 1995 1004 11.98 10.40 1024 1024 1025 1024 1024 1024 1025 1026 12ac 1985 1024 1024 12.80 1028 1004 12ac 1987 1021 12.80 1029 1004 12ac 1987 1001 10.18 1029 1015 974 10.80 1029 1015 975 1024 1029 1015 975 1024 1029 1015 975 1025 1029 1015 975 1025 1029 1025 1025 1020 102	30 31 31 31 32 33 34 34 34 34 34 34	BUILDING, TIMBER, ROADS—Cont 1936 High Low Stock Price Heft Circl Grap Price 1946 High Low Stock Price Heft Circl Grap Price 1956 403 259 (Contrary-Organ 1956 124 (Crouch ID 20) 1950 124 (Crouch ID 20) 1950 125 (Crours-Organ 1950 125 (Crours-Orga	For Bort Steam see Indotrials 104 34 Bromsgord IndS 50 - 100 - 4 11.0 31: 1.4 42511 (188) E11 same for 100 - 22 - 12 0.5 1.6 32 12311 (5 4 2 30.0 4 2 4 30.0 4 5 1 2 30.0 1 2 3 1 2	Grade FM20 G172 G075 52 21 71 Alrease For Tigo 6 1 32 90 42 42 42 42 42 42 42 4
Company Comp	1022 932 1022 935 1022 936 1032	134/P36 Callmet Siter SQ1 911p 42	71 55 Do 106 58 107 10 101 58 80 40 40 40 51 40 40 40 40 40 40 40 4	112 72 Code (West 15h) 2 112 -5 116.0 124 125 126 12	200 13 14 15 15 15 15 15 15 15
## CANADIANS Company	100 80 Treas 100	33 23-41 250 10 25 25 25 25 25 25 25 2	13 15 270 Harve, U. 315 17 1 2 30 181 Harve 180 17 28 18 18 18 18 18 18 18	78 57 File Industr	**CJC 10p
Company	1284 109	24 20 ₄ lone Star Ints S1 22 ₁ 3 S1.07 58 22 ₄ 10 ₁ lonestrant Land S0.15 16 ₁ 3 51.00 -1.1 16 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 28 ₁ 3 30 ₁ 4 31	100 110 MarkLoughm & H. 112 +2 7.0 8.8 219 111/48-ment & Flass (by.) 194 80.42 2.0 137 23.9 23.9 23.0 -2.9 177 Manders (Higo) 225 +1 81 2.1 4.7 13.3 53.3 375 80mthorpe (10p	282 14h	Pel Nº 10p 44 -2 10 h 3.7 21 181 1 48 1 181 1 18
## CARDIANS Contractive Value 1975 197	1124 49 Each 10 50 1977 11074 1 1 1 1 1 1 1 1 1	15 11 Record 15	142 90 Fromptor 106	132 95 Mesgint 50 128 0.75 6.2 0.8 26.5 38.3 38.8 8.8 100 6.2 Metalazar 59 93 -3 2.45 2.7 3.7 14.2 29 15.6 Basima 2 112 67 Metalatel Son-LiOn 119 +4 13.25 1.7 4.1 20.5 49 39 Bullers 10.5 16.2 Metalatel Son-LiOn 195 7.9 20 5.7 10.2 49 39 Bullers 20.6 16.1 Metalatel Son-LiOn 35 +1 0.11 16.0 19.3 42 24 Remitten Son-LiOn 20.6 16.1 1	poor 209 1281 +3 484.0 3.3 4.5 (101) 128 129 1
13.1 13.2	Over Fifteen Years 10.34 9.11	151 12 17 17 18 18 18 18 18 18	82 70 Senart U. 10p 82	170 120 RHP 170 1 425 3.0 35 12.5 135 92 10. Sec 135 1	gc Corr P1 51 328
Findex-Linked 124 150 160 174 175	17th 47th Each 101 gas 2005. 125 -12 91.3 885 331 111 Irress. 124gc 2002 05tt 95 8-9 8-9 8-9 8-9 128 105 107 107 124 -1 8-9 128 105 107 107 124 -1 94.5 8-9 128 128 107 107 124 -1 94.5 8-9 128 12	201	57 41 Wagam, Group 100 51	20 20 20 20 20 20 20 20	ee inc 9.001 96 204 -2 85.0 25 35 18.1 10p 204 -2 85.0 25 35 18.1 10p 204 -2 85.0 25 35 18.1 10p 204 -2 85.0 25 35 18.1 10p 204 -2 85.0 25 35 18.1 10p 205 25 25 25 25 25 25 25 25 25 25 25 25 25
1000 873 0a 2/3c*16 (222.01) 991 1.5 (23.25 1.02) 992 1.5 (22.21) 993 1.5 (22.21) 994 1.5 (23.25 1.02) 994 1.5 (23	Index-Linked	1354 11 c 14 c 15 c	189 190 Bargeter Ints. 121 -2 72 10 8 41 11 434 337 Funtsu ¥50. 439 -15 193 194 17 10 122 17 142 187	51 29 Unit Spring 10p 46 15 18 46 174 203 208 00stery £1 130 108 Virilere £1 130 22 38 U(1) 25 178 00stery £1 130 22 38 U(1) 25 178 00stery £1 25 Washing £10 25 0.1 0.6 192 179 25 100 0.4 192 179 25 100 0.4 192 179 25 100 0.6 192 179 25 100 0.6 192 179 25 100 0.6 192 179 25 100 0.6 192 179 25 100 0.6 192 179 25 100 0.6 192 179 25 100 0.6 192 179 25 100 0.6 100 0	296
100 74 100	regarctive real redeepption rate on projected inflation of 111 10% and 15%, bit Figures in parentheses shore RP1 have manufactured by 15%, bit Figures in parentheses shore RP1 have manufactured by 1986; 381.6. INT. BANK AND O'SEAS GOVT STERLING ISSUES 101 90-346720 bit 11/1.0 2010 1 110/1 1974 9.58 11 91-34602 bit 11/1.0 2010 1 110/1 1974 9.50 302-3133-3463128 bit 13/3-2010 1 135/3-12, 9.40 9.67 303-3133-3463128 13/3-2010 1 135/3-12, 9.40 9.67	1986	158 132 Hattered (1) 100 150 44 g 32 38 116 145 40 Rode Int 143 3.0 0.5 49 100.41 452 333 Hadson int 50g 447 150 26 47 115 45 30 Hadson int 50g 30 30 30 30 30 30 30	89 78 Myndiam for 15p. 18 -1 25 25 40 139 282 287 ErS. 620 500 Varoe 50p. 665 613 M14.0 22 33 122 9 154 275 Eastern Fr. 16 100 Myndiam for 15p. 15p. 160 130 ASDA-MFI Gross 15b. 15d. 120 ASDA-MFI Gross 15d. 15d. 15d. 15d. 15d. 15d. 15d. 15d.	rt 20t
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Equities were blown violently off course yesterday when London encountered the shock waves of Wednesday's worst-ever fall on Wall Street. The scene initially was very unsettled with sentiment affected also by the sentiment affected also by the Prudential call for fresh funds via a £357m rights issue. Prices of many blue chips were slashed at the start of business to deter potential sellers and the move oon met with a measure of

Leading shares began to rally as institutional bargain-hunters appeared and the FT-SE 100 share index, within a space of 45 minutes, halved an early loss of over 32 points, Later however, dealers ran into sharp bouts of selling from short-term traders who were exercising caution over Wall Street, Many thought that the US market could retreat the US market could retreat further and took the opportunity to close outstanding bull commit-

An air of pessimism returned, which militated against new investment, and throughout the later morning and early afternoon business the market traded uneasity. It perked up a little just before the opening of Wall Street but started to falter when the Dow Jones index when the Dow Jones index resumed Wednesday's slide. Within minutes the US measure

was 10 points lower and values here slowly followed the trend. Just before the official 3.30 pm close, the scene changed again and numerous leading stocks reduced their earlier substantial losses on indications of an losses on indications of an attempted Wall Street recovery. The upshot was that the FT-SE index closed a net 20.4 down at 1640.1, while the FT Ordinary share index, after having touched 1361.2, ended 20.9 lower on the day at 1374.0.

American influences also contributed to a dull session in Government securities. Longer-dated stocks went lower in uni-son with the US bond market and settled with falls ranging to }. No weight of selling was reported but buvers were few and much of the day's business involved switching operations between various maturities. Index-linked Gits were caught up in the malaise and recorded tresh losses extending to a. First-time dealings in the £100m issues of Land Securities 10 per cent 2025 provided some relief to the Prior Charge market. In £25-paid form, the stock touched 26 before closing at 254.

Prudential fall

EQUITY GROUPS

& SUB-SECTIONS

Motors (17) Other Industrial Materials (22) CONSUMER GROUP (184)

Food Manufacturing (22)
Food Retailing (15)
Health and Household Products (10)
Leisure (25)
Publishing & P

Publishing & Printing (14)
Packaging and Paper (14)
Stores (43)
Textiles (17)
Tobaccos (2)

OTHER GROUPS (85) ..

48 Miscellaneous (48) 49 INDUSTRIAL GROUP(483)

500 SHARE INDEX(508).... FINANCIAL GROUP (116).

Insurance (Composite) (7)
Insurance (Brokers) (8)
Merchant Banks (11)
Property (50)
Other Financial (24)
Insessment Trusts (103)
Maint Financial (24)

2 5-15 years.

5 Ali stecks ...

7 Over 5 years ..

6 5 years...

3 Over 15 years ...

Index-Linked

FT-SE 100 SHARE INDEX 4

FIXED INTEREST

147.15

173.05

112.29

9 Debastares & Lears _ 123.80 | +0.05 | 123.73

10 Preference...... 87.21 +0.61 86.63

Day's change %

155.27 -0.35 155.83

142.17 -0.24 142.52

117.18 -0.60 117.88

116.29 -0.58 116.97

Wed Apr 30

-0.31 147.62

-0.29 173.56

-0.49 |112.85

ad adj. Loday

3.66 4.58

5.19

6.07

4.40

0.81

121

4.84

Chemicals (19).

51 Oil & Gas (17) ...

Equities blown off course by record Wall Street slide

before rallying to close 27 down on balance at 865p. Other Life Insurances gave ground in sympathy, but they too finished above the lowest levels of the day. Legal and General touched 745p and closed 13 easier at 755p, while Equity and Law softened a few pence to 240p, after 238p. Composites gave a drab performance apart from Landon performance apart from London United which firmed 10 more to 410p after comment on the bumper preliminary results. GRE fell 13 to 930p and Royals cheapened 7 at 917p, after 909p.

cheapened 7 at 917p, after 909p. Lloyds Broker Minet moved between extremes of 254p and 247p before closing unaltered at 252p following details of the record half-year profits.

Debfor Holdings, a lingerie manufacturer and importer, made a successful debut in the Unlisted Securities Market. After opening at 140p, the shares moved higher to close at 151p compared with the placing price of 130p. of 130p.

Brickhouse Dudley, a rising market of late, featured Build-ings with a fresh jump of 18 to 130p on news of a bid approach. Roberts Adlard, meanwhile, the recipient of a takeover approach on Wednesday, gained 25 more for a two-day advance of 50 at 230p, Heileal Bar, well supported of late on asset injection hopes, recovered from an initial dull level of 168p to close 12 dearer on balance at 188p on news of the annual profits recovery. Bellway responded to half-year trading news with a rise of 13 at 176p, but Blue Circle lost 10 more to 700p after recept com-Roberts Adlard, meanwhile, the more to 700p after recent com-ment on the preliminary figures. ICI typified the general dull trend; opening sharply lower at

915p before rallying in the absence of selling to finish only 5 easier on balance at 927p. 5 easier on balance at 927p.

Marked sharply lower at the outset, leading Stores attracted "cheap" buyers and finally showed scant alteration on balance. Marks and Spencer, due to reveal preliminary figures next Thursday, opened at 205p but railied to the overnight level of 212p. Burton settled only a couple of pence off at 314p, after 306p. Secondary Stores proved to be surprisingly resilient. Aquasculum A advanced 6 to 76p amid revived speculative support amid revived speculative support with Goldsmiths hardening 4 more to 218p. DAKS Simpson rose 10 to 360p in response to the interim figures. In contrast, profit-taking left Cantors A 12 cheaper at 150p, while losses of 8 were common to John Menzies,

Prudential opened sharply lower at 855p on news of the proposed £357m rights issue and soon slipped further to \$48p at 234p and BICC relinquished 7 spots. APV, awaiting bid develop-315p. and Lee Cooper, 175p.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times.

Thurs May 1 1986

Earnings Yield % (Max.)

Day's Change %

Grees Dhy. Yield % (ACT at 29%)

Est. P/E Ratin (Het)

| No. | Clarge | Order | Order | Order | Order | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. |

| Index Day's Day's Day's Apr Apr Apr Apr Apr Apr Year No. Change High Low 30 29 28 25 24 290 | 1640.1 -20.4 1645.4 1628.1 1660.5 1656.3 1628.8 1622.6 1615.5 1309.1

nd adj. 1986 1986

FINANCIAL TIMES STOCK INDICES											
	May 1	Apr. 50	Apr. 29	Apr. 28	April 25	Apr. 24	year ago				
Government Secs	93.09	93,35	93,32	92.83	98.34	93.32	81.08				
Fixed Interest	96,69	97,12	96.99	96,76	96,77	96.90	85,6B				
Ordinary ▼	1374.0	1594.0	1391,2	1565.3	1357.9	1348,0	989,9				
Gold Mines	250.9		247.8	253,7	267,3	264.8	485,4				
Ord, Div. Yield	3.94	3.88	3,89	3,95	3,96	3.98	4,61				
Earnings, Yld. & full-	9.86		9,62	9,79	9.83	9.90	11.58				
P.E Ratio (net) (*)	12.40	12.68		12,52	12,47	12.39	10,52				
Total bargains (Est.)	25.889.	26.682	29,076	33,022	31,031	30,125	23,452				
Equity turnover £m.	_	739,52	752,85	564.99	808,63	882.41	447.58				

325,8 316,5 253,4 340,6 346,0 194,5 © Opening 1367 8 10 am 1374.4, 11 am 1373.5, Noon 1368 5, 1 pm 1367.2 2 pm 1367.5 3 pm 13702, 4 pm 1372.4, Day's High 1379.1, Day's Low 1361.2. Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1/7/25 Gold Mines 12/9/56. Activity 1974, Latest Index 07-246 8026. P Nil = 11.97.

HIGHS AND TOMS					3.E. /	4C11A11	1
	19	986 Since Compilet			INDICES	Apr. 30	Apr. 29
	High	Law	High	Low	Daily Gilt Edged		
Govt. Seca.	94.51	80,39 (20/1)	127.4	49,18	Bargains Equities Bargains		
Fixed Int	97.51 (22;4)	86,55 (23(1)	150.4 (28/11/47)	(8/1/76)	Value 5dayAverage	1494.8	
Ordinary	1425.9 (5:4)	1094.3	1425,9 (5:4:88)	28/8/40v	Gilt Edged . Borgains Equities	, 151.1	157,9
Gold Mines	357.0 (27:1)	244.2 (80/4)	734.7 (15/2/83)	43.5 (26/10/71)	Bargains		189.3 1641.5

at 343p. British Telecom contined to reflect Mercury Comments, advanced 11 to 546p. Pegier Hattersley advanced to munications competition worries and dropped 6 at 236p, while GEC cheapened 4 to 206p despite news of a lucrative US army defence contract for its Marconi subsidiary. STC, which on Wednesday announced the £32m sale of IAL to BT, retreated to 152p on fading bid hopes before closing 6 lower on balance at 156p. Elsewhere, BSR attracted renewed speculative support fuelled by rumours of 2 possible bid from Amstrad and ended 8 fuelled by rumours of 2 possible bid from Amstrad and ended 8 to the good at 138p; Amstrad lost 7 at 520p. Takeover speculation also spurred MK at 400p, up 12, while MMT Computing advanced 20 to 245p in reply to the bumper interim profits. Continental Microwave, still drawing strength from recent Continental Microwave, still drawing strength from recent

Egulty bargains

Leading Engineers followed the general trend. Hawker set-tled 14 lower at 595p, while GKN, 340p, and Vickers, 486p, lost 10 and 12 respectively. Despite the

Wed April 30

Tues April 29

Mon April 28

Year 290 (200tox.)

19.68 19.27 11.53 19.98 19.47 11.41 11.13 19.61 18.09

11.90 11.73 11.56

7.58 8.50 8.51 8.78 8.78 8.89 8.89 8.89 8.54

3.30 3.33 2.17 3.17

9.99 9.89 9.80

7.65 8.55 8.57 8.83 8.83 8.94 8.94 8.94 8.94

3.52 3.37 2.39 3.21

9.96 9.88 9.80

comment, jumped 33

Metropolitan which jumped 20 to 413p reflecting a bear squeeze. Leading miscellaneous sustained widespread losses, but final quotations were usually above the day's worst. Beecham were prominent again, failing to 385p before settling 12 down on the day at 388p. Glazo finished 17 lower at 968p and Hanson reacted 6 to 176p, but Boots settled only 3 cheaper on balance at 264p, after having touched 259p at one stage. Metal Box fell 10 to 745p and Pikington 8 to 452p. Elsewhere, Associated 8 to 452p. Elsewhere, Associated Heat featured a rise of 47 at 487p, after 500p, on news of the agreed offer from Companie Generale de Chauffe. Hunting Associated, helped by comment Associated, helped by comment on the preliminary figures, put on 10 more to 310p, while the recovery in annual profits left Triefas 4 dearer at 90p. Ropner, which announced its results earlier in the week, encountered support, the ordinary rising 10 to 151p and the "A" 6 to 138p. A flurry of speculative activity left Peter Black 18 higher at 213p. but takeover chestnut Christie's International fell 12 to Christie's International fell 12 to 343p. British Aerospace closed 9 lower at 548p. after 540p, while Morgan Crucible came back 8 to 302p. after the previous day's bout of speculative activity. Dealings were temporarily suspended in Coin Industries at 95p pending

Jaguar, supported earlier in the week following the Government's ADR tax amendment. dipped to 463p initially, but later 623p before settling 28 higher at 018p on the profits and divi-

reacted 10 to 90p as the company stated that it knew of no reason for the recent strength of its puts struck.

Cooper, a good market of late. encountered profit-taking and lost 5 at 112p following the proposed acquisition of Henderson Stainless Steel, a private comroom upheavals stimulated reroom upneavais simulated re-vived bid speculation. Mercantile House, supported of late amid fresh chatter of an imminent bid from the US, eased 11 to 344p.

I C Gas lower

trend and raced ahead to close 19 firmer at a year's best of 537p following persistent and sizeable overseas support, most of which was thought to have originated in the US, as a prelude to a full-scale bid. Other food issues were initially marked down and showed little signs of a raily. Tate and Lyle settled 7 off at 608p on further consideration of the disappointing interim profits and the offer for S. and W. Berisford. The latter fell 6 more to 244p. Hotels provided a firm feature in Grand Leading Oils held up well in the face of the widespread losses in other equity sectors. LASMO attracted persistent small selling in an unwilling market and showed a 10 fall at 110p, while Ultramar lost 4 to 183p despite news that Mr Ron Brierley's IEP Securities has increased its stake to 7.4 per cent. Burmah were marked down to 354p at the out-set but subsequently improved sharply to close a couple of

NEW HIGHS AND LOWS FOR 1986

dend forecast contained in its

defence document rejecting the offer from F. H. Tomkins, Late speculative demand left Babit

Precision 7 to the good at 82p, while favourable Press mention

prompted a gain of 3 to 86p in Renold. In contrast, Frederick

Beecham down afresh

Rowntree Mackintosh con-founded the general market trend and raced ahead to close

NEW HIGHS (93)

BRITISH FUNDS (1) Treasury 87-pc 1984-86. COMMONWEALTH AND ARRICAN LOANS (2) NZ 74-pc 1988-82. Do. 77-pc 1983-85. FOREIGN BONDS (1) Hydro Quebec 15-pc 2011. AMERICANS (1) Time Inc. BANKS (1) Bank of Ireland. BREWERS (1) Greene King. BUILDINGS (5) Brickhouse Dudley, Bryant Hidgs., Chesaminster, Roberts Adlard, Wilson (Connolly). CHEMICALS (1) BTP. STORES (5) Goldsmith, Kent (John), S. & U. Stores 311-pcPr. Samuel (H.), Shere Drug, ELECTRICALS (8) AB Electronic, BSR Intl., Feedback, MK Electric, MMT Computing, Microfilm Repro, Prestwick, VG Instruments. ENGINEERING (10) BM Group. Cohen (A.), Edbro, Elliott (B.), Gartoh Eng., Habit Precision, Hill and Smith, Mangenese Bronze, Pegler-Hattersley, Wadkin, FOODS (1) Rowntree Mackintosh. INDUSTRIALS (23) Assoc. Heat Services, Cannon St. Invs., Cope Allman, Elbar Ind., Fitzwilton, Hunting Assoc., Midland Marts, Norank System, Parfield Group, Reed Executive, Rockware, Moderson, Sinclair (Wm.), Sketchley, Southern Bus, Group, Swedish Match B, Tomkins (F. H.), Tranwood, Triefus, UOG Hidgs., Worthington (A. J.), INSURANCE (3) FA1 Insurances, London United, Steel Burnil Jones.

LEISURE (1) Pineapple Dance. MOTORS (3) Gates (F. G.). Glanfield Lawrence. Perry Group. NEWSPAPERS (1) News Intol. Spec. Div. PAPER (5) FKB. Ferguson Industri., Gold Greenless Trott. Shandwick. Wight Collins RS. PROPPERTY (7) Asda Propy. Estates Propy. Inv., Gable House. London Shop Prop. Sapc Cv. Ln. 1999-2004. Traftord Perfs. inv., Gable House, Landon Shop Prop. Supc Cv. Ln. 1999-2004, Traitord Park, Trencherwood, York Mount. TEXTHES (1) Early's of Witney. TRUSTS (10) F. & C. Eurotrust, Glasgow Stockholders, Rorento NV, SPLIT Inc., Scottish Cities A, Scottish National, Berkeley Tech., Hunting Group, Keywest Invs., Yelverton Invs. OVERSEAS TRADERS (1) Borthwick (Thos.). MINES (1) Bond Corpn.

MINES (1) Bond Corpn.

NEW LOWS (35)

AMERICANS (1) GATX. CANADIANS
(1) Inco Eng. ELECTRICALS (3) Mitel
Corpn., Security Tag Systems, United
Scientific. FOODS (1) Whitworth's
Foods. INDUSTRIALS (5) High-Point
Services, Hollis, Huntleigh Tech., PCT,
Remco Oil. INSURANCE (1) Refuge.
LEISURE (2) Chrysalis, Saga Holidays.
PROPERTY (1) Gilbert House Invests.
SHIPPING (1) Runciman (W). SOUTH
AFRICANS (1) Sasol. TRUSTS (4)
Cons. Venture Trust. Independent Inv.,
Parinter Bond Fund, Temploton Galbraith. Oil.S (7) Churchill Resources,
Command Petroleum, Hamilton Oil.
LASMO, Magnet Group, Ponnina Resources, Sovereign Oil. OVERSEAS
TRADERS (1) Sime Darby, MINES (8)
OFS Invs. Catr Boyd, Gem Explin., and
Minerals. Otter Explin., Southern Resources, Colby Resources Corpn.

EUROPEAN OPTIONS EXCHANGE Aug. Vol. ' Last 26 13 33 60

GO P P GO P P GO P P	\$380 \$400 \$320 \$320 \$340 \$350	10	0.10	50 37 6 5 9	5.50 5.50 8 11.50 A	56 	7.50	
	_		jun e	5	opt.		Jec.	
EFFLELLEC PPPC	FI.390 FI.245 FI.255 FI.255 FI.265 FI.285 FI.285 FI.240 FI.245 FI.250 FI.250 FI.250 Om.225	35 41 13 18 11 5 5 10 276 62 44 12 2	2.40 10.50 7.20 B 5 2.20 1.40 1 2.50 3.50 7.10 10.50 15.30 A	20 -2 165 103 12 20 - - - 21 - 21 - 15	13,10 8,50 6,70 3,50 2,80 2,80	21 	2.40	FI.379.49 FI.247.87
_	July		Oc.	Ł			an.	
ABN C ABN P AEGN P AAEGN P AH C AH C AH C AH C AH C AH C AH C C AH C AH	F1.520 F1.560 F1.110 F1.85 F1.170 F1.185 F1.100 F1.250 F1.100 F1.250 F1.170 F1.185 F1.100 F1.250 F1.180 F1.	71 982 23 753 603 753 62 93 410 142 142 257 204 188	5.60 B 13 3.80 B 2 1.40 4.50 4.50 5.30 4.10 2 5.90 4.80	26 265 28 51 145 7 4 17 1 103 20 12 131 146 250	13.50 23.50 3.50 3.50 7.50 8.50 7.70 8.90 10.40 9.50 113.20 4.50 2.90 13.20 4.50 2.20 4.50 8.90	20	25 	FI.560 FI.104.80 FI.74.30 FI.75.20 FI.75.20 FI.263 FI.166.50 FI.166.50 FI.48.80 FI.66.50 FI.66.50 FI.67.20 FI.67.20 FI.75.20 FI.75.20 FI.75.20 FI.75.20 FI.75.20

pence harder at 368p on further buying prompted by a recent rerating of the company. IC Gas continued to reflect fading bid hopes and dropped 15 more to 375p—a two-day loss of 35. In the secondary issues Petranol fell away to 64p before closing a net 7 cheaper at 68p following the board's rejection of the all-aper bid from Inoco; the latter

the board's rejection of the allpaper bid from Inoco; the latter
dipped 4 to 37p.
Tozer Kemsley and Millbourn,
strongly bought recently amid
hopes that Mr Ron Brierley will
use the company as a vehicle
for further expansion in the UK,
met scattered profit-taking and
closed 14 off at 163p—still up 23
so far this week; Kenning eased
7 to 261p in sympathy. Other
Overseas Traders were subdued,
although Lourho dipped 6 more
to 239p reflecting the continued to 239p reflecting the continued absence of takeover developments.

Sentiment in South African sectors of mining markets took a turn for the better. Modest buying interest from Johannes-burg and London arrested the recent slide in prices and Golds responded with small-scale im-provements across the boart. provements across the boarf. Buying laterest in the sector was evenly spread but gains were most pronounced in the cheaper priced issues where rises of around 10 or so were common to Bracken, 223p, Grootvlei, 224p, Blyvoor, 324p and Western Areas, 203p. The Gold Mines index responded with a 6.7 rise to 250.9. Builion remained a quiet market and eventually settled 75 cents easier at \$345.25 an ounce.

In Australians, Bond Corporation featured with a 13 jump to 183p following strong demand in overnight domestic markets. Mines did little more than mark time.

Traded Options

Despite the shake-out in many Traded Options began the new month on a bright note with 23,584 contracts transacted. As on Wednesday, interest was mainly directed towards Hanson Trust and British Telecom which attracted 2,857 and 2,503 calls reacted 10 to 90p as the company stated that it know the company was attracted 2,857 and 2,503 calls respectively. A lively that the company stated that it know the company was attracted 2,857 and 2,503 calls respectively. of the underlying securities, Traded Options began the new attracted 2,857 and 2,503 calls respectively. A lively and evenly-balanced business developed in Boots with 1,861 calls and 1,141

TRADITIONAL OPTIONS First Last Last For Deal- Deal- Declara- Settle ings ings tion ment Apr 21 May 2 July 24 Aug 4 May 6 May 16 Aug 7 Aug 18 May 19 June 6 Aug 28 Sept 8

Unit Trust Service Unit Trust Service
Stocks favoured for the call
included George Wimpey, Associated British Engineering,
Abaco Investments, Harris
Queensway, Bridon, ASDA-MFI,
Sycamore, Sutcliffe Speakman,
Mercantile House, Wellcome,
North Kalgurli, Hestair, Sound
Diffusion, Egiinton Oli and Gas
and Berkeley and Hay Hill, A
put was taken out in Underwoods, but no doubles were
reported.

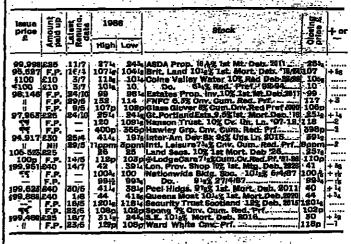
For rate indications see and of

RISES AND FALLS VECTEDRAY

IEJIERUA	T			
British Funds Corpus Dom &	Rives 1	Fails 99	Same 11	8. B
Foreign Bonds	11 195	8 517	52 784	Č
Financial & Props	46 18	207 30	320 72	G
Plantations	41	29	12 109	M
Others	36	77	93	Pi
Totals	349	969	1,453	Ť

EQUITIES

FIXED INTEREST STOCKS



RIGHTS OFFERS

lasge gg Renunc.	1986	Stock	Close	+9
price E date	High L	WO	55	<u> </u>
60 F.P. 30/6 250 F.P. 30/6 30 NII 30/6 205 NII — 30/6 225 NII — 25/6 227 F.P. 25/6 237 F.P. 25/6 2400 NII 20/6 25 NII 20/6 27 NII 20/6 27 NII 15/5 265 NII 15/5 175 NII 30/6	12pm 57pm 53pm 15pm 489 9 807pm 7 67pm 76 65pm 41epm 3	68 Aquascutum A Sp. 265 Assoc. Newspapers. 5pm Bensons Crisps 10p 65pm Connells Est. Agents 15pm BS. 29 Grettan 29 Grettan 29 Greycost (10p) 65pm Lon. & Manchester Grp 65pm Low & Boner 60p Pentos. 69 Pentos. 10pm Sastohi & Sastohi 10pm Sastohi 10pm Sasto	74 285 10pm 57pm 13pm 418 258 765 67pm 41ppm 43pm 63pm 43pm	+2 -6 +2 -18 +1 +3

Renunciation date usually last day for dealing free of stamp duty. 5 Figures tussed on prospectus estimates. g Assumed dividend and yield. Forecast dividend cover on sernings updated by lease interim extenent. It Dividend and Yield based on prospectus or other official estimates for 1987. If Forecast estimates, I indicated dividend, cover and p/s ratio based on prospectus or other official estimates. I indicated dividends: ower reletas to previous dividend; p/s ratio based on istast annual estainings. s Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. I issued by tender. § Officed incident of ordinary shares as a "rights." [§ introduction. ** issued by way of capitalisation. § Placing price. §§ Reintroduced. ** I issued in connection with reorganisation marger of takeover. ■ Allotment price. § Unitated securities market. § Dealt in under Rule 535 (4) (e).

WEDNESDAY'S YESTERDAY'S **ACTIVE STOCKS ACTIVE STOCKS**

No. of Wed. changes close Grand Met. ... 21
BP 20
Blue Circla ... 17
Burmsh Oir ... 17
Jaguer 17
Senisfrd (S.&W.) 15
Shell Transport 15 eachamoota 220 182 268 692 688 Marks and Spencer Pegler-Hattersley Prudential Towntree Mackintosh . Trefelger House 212 618 865 537 309 +28 -27 +19 - 6

LONDON TRADED OPTIONS May Aug. Nov. May Aug. Nov. Oct. Jan. July Oct. Jan. 125 87 47 25 12 12 40 120 122 124 126 128 42 42 28 15 52 54 19 7 50 36 24 68 48 50 17 80 58 43 30 92 72 55 40 93 67 50 28 105 88 --68 --45 95 75 60 Grand Met. 6 12 22 23 45 3 7 15 38 165 122 85 65 48 14? 100 67 40 20 112 120 100 75 50 Aug.

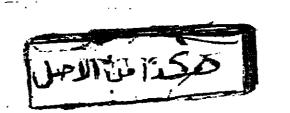
38 31 21 11 19 60 83 10 83 60 57 1575 78 1600 65 1625 47 1650 31 1675 20 1700 12 1750 4 13 | 12 16 | 20 FT-SE ladex 1640: - 20 - 30 - 40 80 55 70 70 - 90 - 122 95 75 65 65 45 35 38 45 57 70 85 105 140

May 1 Total contracts 23,584 Calls 15,520 Puts 8,084 "Underyling security price.

4Opening lades 1631.6; 10 am 1645.3; 11 am 1636.2; Noon 1633.3; 1 pm 1631.8; 2 pm 1632.3; 3 pm 1636.6; 3.30 pm 1639.5; 4 pm 1639.6 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new fist of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 48Y, price 15p, by post 28p.

Index-Linked
Inflat'n rate 5%
Idflat'n rate 5%
Inflat'n rate 10%
Inflat'n rate 10%

15 Debs & 16 Leans 17



TOTAL VOLUME IN CONTRACTS: 26,306.

B=Bid

C=Cail

aimed from Page 4:

12788—Price of the

Witge ertrenget eng erm

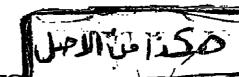
Carrott et Barrier et

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Company of the second s the second of th The state of the s

Get y Eine Zeitung e den halben Wert. Damit Sie Ihre beginn erhalten.
Ihrer Stadt weine
Einzelheiten er
Frankfurt.

¥15)CKS



		, May 2 1900			WORLD	STOCK MAR	KEIS	
	AUSTRIA GER	UMANY IN	(ORWAT	1031100001 (con-many) 1.	APAN (continued)	ANADA		
	Apr. 30	Price Pric	April 30	## Price + or ## Aust.# - May 1 Yen	## Prices at 2.30pm. ## Mary 1 **Prices at 2.30pm. **Mary 1 **Prices at 2.30pm.	Section Sect	Marsh Spre	
	Damart 1,955 - 25 B Darty 2,923 - 77 B Darty 2,923 - 77 B Darty 2,923 - 77 B Darty 2,923 - 77 B Darty 2,923 - 77 B Darty 2,923 - 77 B Darty 2,923 - 77 B Darty 2,923 - 77 B Easslor 2,470 - 105 E Esslor 2,470 - 105 E Essl	210 + 6	Swiss Reinsce 19,000 + 26 Swiss Volksbk 2,660 + 16 Swiss Volksbk 2,660 + 16 Winterthur 6,300 2 Winterthur 6,300 3 AuSTRALIA	Description	Sime Darby	Transport 782-44* 897.41 815.26 810.97 811.4 Usiffies 179.86* 182.85 185.56 188.78 185.6 Trading vol	April High Low High Low	SELGIAN Srussel's SE (1/1,88) DENMARK Copenhagen SE (5/188) Z40.95 241.47 (u) 241.61 250.70 (18.4) 214.57 (21/1) PRANCE CAC General (5/11/88) (c) 387.2 (u) 402.7 404.9 (25/4) 267.8 (2.1) GCAC General (5/11/88) (c) 145.1 147.5 150.1 152.0 (25/4) 101.5 (2.1) GERMANY FAZ Aktien (5/11/2.58) (c) 2178.8 2175.7 2154.7 2778.8 (17.4) 618.34 (27/2) HONG KONG HONG KONG HANG Seng Bank 31:7.64 1848.65 1836.99 1826.29 1848.65 1848.65 (28.4) 1559.94 (19/3) JAPAN** Nikkei (15/5/4) 1578.6 15825.5 (c) 1278.8 (c)
•	OVER-THE-	COUNTER	Nasdaq national mark	et, 2.30pm prices	merk' Sales High Low Last Car	R.Y.S.E. ALL COMINION	April April April 30 29 23	Madrid SE : 30/12/85) /El / 200-55 / 20
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YORK STOCK EXCHANGE COMPOSITE PRICES

Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Section	Sect	Harm	pf63 40	12	6	20
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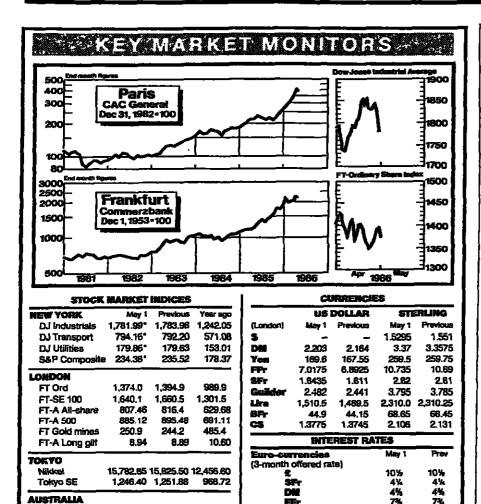
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FINANCIAL TIMES WORLD STOCK MARKETS



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3% July 1990

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9% March 2016

General Motors

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Source Salomon Brothers

SCBT South Centre

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	Price	Yield	Price	Ylek
1988	992%	6.829	992%;	6.829
1993	1001%2	7,282	100 ²⁹ /38	7.256
1996	10911/2	7,422	1101%2	7.362
2016	120%	7.533	121%2	7.46
· Harris	Total Savi	ione Ra	nk	
	1988 1993 1996 2016	Price 1988 99°%: 1993 100°%: 1996 109°%: 2016 120%:	May 1° Price Yield 1988 98°%: 6.829 1993 100°%: 7.282 1996 109°%: 7.422	May 1° Price Pri

Treasury	Index			
Maturity (years)	Return	May 1" Day's change	Yield	Day's change
1–30 1–10	151. 79 143,8	0.24 0.08	7.4 7.24	+0.03
1-3 3-5	134.87 145.86	+0.00	7.0 7.38	+0.01
15-30	180.44	-0.84	7.94	+0.05
Source: M	errill Lynch			
	COMIN	ODITIE	S	
(Landon) Silver (spo	t fixting)	332 332		эеv 330.50р

Copper (Cash)	1930,30	£917.3U	
Coffee (May)	£2,203.50	£2,178.50	
Oil (Brent blend)	\$12.70	\$12.375	
GOLD	(per ounce)		
	May 1	Prev	
London	\$345.25	\$346.00	
Zürich	\$345.75	\$343.75	
Paris (fixing)	\$346.88	\$346.88	
Luxembourg	\$344.50	\$344.50	
New York (June)	\$342.80	\$348.15	

FINANCIAL FUTURES					
CHICAGO	Latest	Hìgh	Low	Prev	
US Treasury	Bonds (C	BT)			
8% 32nds of 1	00%				
June	99-24	100-29	99-18	100-24	
US Treasury	Bills (IMI	5)			
\$1m points of	100%	-			
lune	94.06	94.11	94.05	94.11	
Certificates	of Deposi	(TMENT)			
\$1m points of	100%				
Sept	93.54	93.54	93.54	93.55	
LONDON					
Three-month	Eurodoli				
\$1m points of	100%				
June	93.20	93.24	93,19	93.26	
20-year Noti	ional Cilt				
£50,000 32nds	of 100%				
June	126-26	127-14	126-24	127-19	

" Latest aveilable ligures

WALL STREET

Sentiment remains subdued

THE MOOD remained subdued on Wall Street yesterday after the record fall of the previous session, writes Terry By-

land in New York.

Blue-chip issues rallied after a weak start, but, with the bond market in full retreat, investors were in a cautious

By 3pm the Dow Jones industrial average was down 1.99 at 1,781,99.

The stock market settled into what appears to be its new, and lower, trading range, which is characterised by new uncertainty over interest rates, the pace of the economy and by lacklustre trading reports from US industry. Renewed firmness in the dollar is a doubtful benefit for US exporters.

Several well-respected analysts are believed to be taking a more cautious stance on equities. Merrill Lynch, the major retail broking firm, has increased the cash weighting of its model portfolio to 25 per cent trimming the proportion of common stocks from 40 per cent to 35 per cent

Long-term bond yields jumped to 7.56 per cent ahead of the auctions next week of \$27bn in Treasury securities - a larger burden than expected. While analysts believe that foreign demand will be forthcoming for the new US Treasury debt, few expect market rates to fall

over the period. The nuclear disaster in the Soviet Union has added new cause for uncertainty. Some market analysts suggest that both the dollar and US commodity prices will rise if the Chernobyl disaster forces Russia to buy grain on world mar-

Stocks in US utility groups steadied after two weak sessions, and in the bond markets there was a satisfactory outcome to the auction of \$125m of first mortgage bonds by Atlantic City Electric. The bonds, resold by Morgan Stanley on a 9.02 per cent yield, were rated Double A3 by Moody's Investors Services and Double A Minus by Standard

Technology stocks steadied, helped by IBM, up 1% at \$157%. Digital Equipment edged up \$\% to \$177 while NCR added \$¼ to \$50% and Control Data \$% to \$23%.

Mixed changes in the Detroit car makers had American Motors \$% better at \$4% on a prospective deal with Chrysler which could take up some of American's excess production capacity. At \$37% Chrysler added \$1.

Ford rose sharply, gaining \$2% to \$78, but General Motors, still restrained by planned production cutbacks, moved o gain \$¼ to \$80½

Airline stocks struggled to regain their footing after Wednesday's beating, which took 15 points off the Dow transportation average.

American Express improved by \$1/2 to \$58%. People Express, the discount carrier, eased \$\% to \$9\% after disclosing its

latest trading loss. Chemical and pharmaceutical issues looked nervous as the dollar's firmness cast a cloud over their overseas sales prospects. Monsanto fell \$1% to \$60% while Du Pont, unchanged at \$76, had al-

ready discounted the board's plan to buy in stock. Merck, the pharmaceutical industry's representative in the Dow average, plunged a further \$1% to \$172%, but Pfiz-

er edged up \$% to \$59%. SmithKline Beckman added \$\% to \$91%, still responding to its trading

Further consideration of the trading news left Eastman Kodak down \$% at \$57% in heavy turnover. A higher dividend lifted Dart & Kraft by \$1/4 to \$511/4.

But Greyhound, the financial services and passenger transport group, eased \$% to \$34% on lower profits

The bond market showed no signs of recovering from initial losses which ranged to around a full point. In yet another spate of liquidity support, the Fed announced overnight system repurchases, but the federal funds rate remained above recent levels at 71/4. Treasury-bill and other short-term rates, however, were unchanged.

LONDON

Equities blown off

course

EQUITIES were blown violently off course in London vesterday in the wake of Wall Street's worst-ever fall. The scene was initially very unsettled with sentiment affected by insurer Prudential's call for fresh funds via a £357m rights issue and prices of many blue

chips were slashed.
The FT Ordinary index finished 20.9 lower at 1,374.0 after touching 1,361 and the FT-SE 100 lost 20.4 to 1,640.1. The

AMSTERDAM suffered a small but widespread decline with particular unease among international stocks due to the overnight plunge on Wall Street and the absence of many foreign, notably West German, buyers due to the May Day holiday.

Royal Dutch lost Fl 2.10 to Fl 188.20 while Akzo, awaiting developments in its patents dispute, retreated Fl 1.50 to Fl 162.20. KLM dipped 80 cents to Fl 48.80 and Philips, at Fl 61.20, was 20 cents cheaper.

Among banks ABN moved ex-divi-dend and lost Fl 16 to Fl 560 as Amro gave up 80 cents to Fl 99.60. The bond market saw falls of up to 40

basis points in very thin trading. closing part of the session was buoyed

slightly by Wall Street's determined attempt at recovery. US influences also contributed to a

dull session in gilts. Longs moved in tandem with the softer American bond market and finally closed with losses of up

Chief price changes, Page 41; Details, Page 40; Share information service, Pages 38-39

TOKYO

Trends in **US** bring downturn

A WAVE of selling depressed blue-chip and electric power issues in Tokyo yesterday, sending share prices lower for the first time in five trading days, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei stock average Inst 42.85 to 15,782.65. Volume totalled 588m shares compared with Wednesday's 538m. Declines outran advances by 468 to 386, with 110 issues unchanged.

The poor performance came in reaction to rising long-term US interest rates and the record overnight drop on Wall

Japanese investors, like their counterparts on Wall Street, were also unsettled by the Chernobyl nuclear power plant accident in the Soviet Union.

Blue chips fell almost across the board, despite buying toward the close. Toshiba, the most active stock with 34.02m shares changing hands, declined Y10 to Y437.

Hitachi, the second busiest issue with 32.67m shares traded, dropped Y24 to Y935. Mitsubishi Electric shed Y2 to Y368, NEC Y60 to Y1,560,
The Chernobyl accident dampened

electric powers, with Tokyo Electric Power losing Y50 to 3,820 and Kansai Electric Power Y40 to Y2,370.

Issues which stand to benefit from domestic demand expansion came into the limelight, helped by the plans of the Government and ruling Liberal-Demo-cratic Party (LDP) to transform Japan's export-dependent economy into one geared more to domestic demand for growth.

The dealer sections of major brokerage houses hunted these domestic demand-related issues to seek quick capital gains. Oil issues firmed on a wide front on

speculation that petroleum might be reappraised as an energy source in the wake of the Chernobyl disaster. Nippon Oil gained Y10 to Y1,170, Nip-

pon Mining Y13 to Y484 and Showa Shell Sekiyu Y60 to Y896. Issues with hidden incentives fared

well. Kanto Natural Gas Development, a major iodine maker, scored a daily limit gain of Y100 to Y1,080.

Bond prices moved in a narrow range, with investors becoming more cautious

due to an overnight uption in long-term | dispute
US interest reles the to an overnight upturn in long-term US interest rates

The yield on the benchmark 5.2 per cent government bond, mathing in July 1850.

1995, rose to 4.645 per cent from Wednesday's 4.565 per cent. Buying of the recently selected 5.1 per cent government bond due in March 1996 dimished pushing its yield up to 4.860 per cent at one stage. Later, however, the yield fell to 4.810 per cent; unchanged from the previous day.

AUSTRALIA

AUSTRALIA

AN INITIAL weakness was reversed in sydney despite the severe overnight set back in New York and the All Ordinaries index edged 23 higher to 1216.6.

BHP lost another 2 cents to AST.34 pending developments in the takeover bid by Bell Resources, which firmed 2 cents to AS4.35. Edders IXI., which owns 19.9 per cent of BHP, eased 2 cents to AS4.33.

News Corp jumped 76 cents to AST.34 this month.

A\$4.53.

News Corp jumped 70 cents to A\$19.90 this month after Mr Rupert Murdoch testified at a status of two television stations News Corp owns.

HONG KONG

THE ANNOUNCEMENT that the flota-THE ANNOUNCEMENT that the flotation of Cathay Pacific had been hugely oversubscribed prompted a late buying surge that took Hong Kong higher.

The Hang Seng index climbed 11.66 to 1.848.65, equalling Monday's record, while the Hong Kong index rose 8.01 to 1.149.64.

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SOUTH AFRICA

burg trading, which was interrupted for and hid and hid than the exchange.

Description of the control of the c

Driefontein advanced R2.25 to R52 all The case has per though Buffels shed 50 cents to R65.50. Among other mines Rustenburg Plati-num rose 25 cents to R31 and De Beers edged 5 cents higher to R22.80.

THE DECLINE in Toronto, which start-

Bell Canada retreated C51/2 to C\$391/2

CANADA

ed late on Wednesday, continued across

after reporting lower first-quarter earnings and a forecast for a drop in full-year a gired the expense Banks moved against the trend in a

NOTICE OF EARLY REDEMPTION ON 17th JUNE, 1986

BARCLAYS

BARCLAYS OVERSEAS INVESTMENT COMPANY R.V.

(Incorporated with limited liability in the Netherlands) U.S.\$100,000,000 81/2 per cent. Guaranteed Bonds 1992 Guaranteed on a subordinated basis BARCLAYS BANK PLC

(Incorporated with limited liability in England)

Notice is hereby given that all the outstanding Bonds of the above-captioned issue (the "Bonds") will be

redeemed, in accordance with Condition 6,c) endorsed on the Bonds, on 17th June, 1986 (the "redemption date") at the redemption price of 101 per cent. of their principal amount, together with interest accrued to the redemption date.

No payment of interest will be made on Coupons due for payment on 15th September, 1986. Accrued interest on the Bonds in respect of the period from 15th September, 1985 to the redemption date amounting to U.S. \$64.22 for each U.S. \$1,000 principal amount of Bonds) will be paid on the redemp-

namounting to 0.5. 304.22 for each 0.5. \$1,000 principal amount or nonus) who be paid on the redemption date in the manner specified below. Subject as mentioned in Condition 5 endorsed on the Bonds, interest will cease to accrue as from the redemption date.

Payment of the redemption monies, including accrued interest, will be made in accordance with Condition 8 endorsed on the Bonds, at the specified office of any of the Paying Agents against surrender of Bonds. Bonds should be presented for payment together with all unmatured Coupons, failing which the manual of the maintain measured Coupons will be deducted from the recipied coupons of the paying account of the maintain measured Coupons will be deducted from the recipied coupons of the maintain measured of the maintain measured Coupons will be deducted from the recipied coupons of the paying account of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured of the maintain measured to the maintain measured of the maintain measured of the maintain measured of the maintain measured of the measured of the maintain the amount of the missing unmatured Coupons will be deducted from the principal amount due. Any amount so deducted will only be payable as mentioned in Condition 8.

Principal Paving Agent Barclays Bank of New York NA 300 Fark Avenue New York, NY 10022 U.S.A.

2nd May, 1986

VOLVO

Annual General Meeting of AB Volvo

The shareholders in AB Volvo are hereby called to the Annual General Meeting of the Company, to be held in Lisebergshallen, Orgrytevägen, Göteborg (Sweden) at 4.30 p.m. Wednesday, May 21, 1986.

Matters to come before the Meeting, as prescribed by law and the Company's Articles of Association, shall include: presentation of the accounts and annual report for the year 1985; adoption of the Income Statement and Balance Sheet of AB Volvo as well as the Consolidated Income Statement and Consolidated Balance Sheet: disposition of the profit as shown in the Balance Sheet adopted; discharge of the Board of Directors and Managing Director from liability; determination of the number of members and deputy members to be elected by the Meeting to serve on the Board of Directors; approval of fees to be paid to the Board and auditors; and the election of Board members, deputy members and auditors.

Right to participate in Meeting Participation in Volvo's Annual General Meeting is limited to shareholders who are recorded in the share register on

May 9, 1986 and who advise Volvo, no later than 12:00 noon, Friday, May 16, 1986, of their intention to participate.

Share register

Volvo's computerized share register is maintained by Värdepapperscentralen VPC AB (Swedish Securities Register Center).

Volvo shares are registered in the names of either their owners or trustees. Only ownerregistered shareholdings are listed in the names of shareholders in the share register. Shareholders whose shares are held by the trust department of a bank or by a private brokerage, may have elected to have their shares registered in the trustee's names.

To be entitled to participate in the Annual General Meeting, owners of shares registered in the name of a trustee must reregister such shares in their own names.

To assure that such shares are reregistered in ample time, the holders of trustee-registered shares should request that the bank or brokerage acting as custodian of the shares reregister them (temporarily) several banking days prior to May 9, 1986. Trustees normally charge a fee for this service.

Volvo Group operations in brief	1985	1984
Sales, SEK M	Sc. 19p	87,052
Income before allocations, taxes and minority interests, SEK M	7.002	7,647
Return on total capital employed, percent	20.3	229
Income per share. SEK	49.20	46.50
Dividend per share, SEK	8.50	5.30
Number of employees, December 31	67.857	ó8,58ó
Salaries, wages and social costs, SEK M	11,359	10,509
Contribution to Employee Bonus Fund, SEK M	180	180
Capital expenditures for property, plant and equipment, SEK M	3.500	2.589

Notice of intention to participate Notice of intention to participate in the Meeting may be given, no later than 12:00 noon, Friday, May 16, 1986 by telephone. +46-31 59 21 50 or +46-31 59 00 00

or in writing, to: AB Volvo Legal Department S-405 08 Göteborg, Sweden

In providing such notice, a shareholder should state his or her name, personal registration number (where applicable), address and telephone number.

Shareholders who wish to appoint a proxy to act on their behalf at the meeting should notify AB Volvo well in advance of the meeting giving the name of the proxy. A proxy need not be a shareholder of AB Volvo.

May 26, 1986 has been proposed by the Board of Directors as the record date for the payment of dividends. Payment is expected to be made through VPC on June 2, 1986.

By order of the Board of AB Volvo Ciaes Beyer, Secretary to the Board S-405 08 Goteborg, Sweden May, 1985

Cathay's present shareholders ended mixed. Swire rose 10 cents to HK\$13.40 of evilled resigna THE SLIGHTLY firmer gold sector was party verdicts continue we

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